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Missouri Real Estate Malpractice Insurance Report 2000

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Missouri Department of Insurance
Statistics Section

**MISSOURI
REAL ESTATE
MALPRACTICE
INSURANCE
REPORT
2000**

**Missouri Department of Insurance
Statistics Section
August 2001**

Other Publications Available

The Missouri Department of Insurance publishes the following statistical reports. These reports are available by sending a written request along with the payment of \$35 to the Missouri Department of Insurance, P.O. Box 690, Jefferson City, MO 65102-0690.

Missouri Department of Insurance Annual Report
Missouri Medical Malpractice (Closed Claim) Report
Missouri Legal Malpractice (Closed Claim) Report
 Missouri Market Share Report
Missouri Products Liability (Closed Claim) Report
Missouri Health Maintenance Organization Report
 Missouri Complaint Index Report
Missouri Life, Accident & Health Supplement Report
Missouri Property & Casualty Supplement Report
 Missouri Mortgage Guaranty Report
 Missouri Uninsured Auto Report

Databases Available

Medicare Supplement Experience Data
Missouri Zip Code Insurance Data for Homeowners/Dwelling Fire,
Farmowners (dwelling only), Mobile Home, Earthquake and Private Passenger Automobile

Some data is available to the public for a fee by special request only. For additional information, contact the Statistics Section at 573/751-4126.

Real Estate Malpractice Insurance Report

Executive Summary

This report is a summary of Missouri real estate malpractice data for 1991 to 2000. The charts, graphs and tables, limited to closed claim information, were constructed from data collected by the Missouri Department of Insurance as required by Section 383.060 RSMo. The premium and loss data, obtained from the Missouri Page 15 Supplement to the companies' annual statements, is presented in the final section.

The loss ratio for real estate malpractice in Missouri during 2000 was 20 percent, which is a significant increase from -253.30 percent in 1999. The industry posted a negative loss ratio, in 1999, because companies wrote off excess reserves from previous years. The 20 percent loss ratio nevertheless is quite low for a line of property and casualty business. Thirty-nine claims were closed in 2000, compared to a high of 82 in 1991. Only 10 claims (26 percent) were paid with an average paid amount of \$9,611.

Over the past 10 years, 479 real estate malpractice claims were closed in Missouri: 169 (35 percent) with payment, and 310 (65 percent) without payment.

In 2000 the average loss adjustment expense for all claims closed with payment was \$15,496 while the expenses for all claims closed without payment averaged only \$5,343.

In Section II, indemnities paid on closed claims are shown by claim characteristics. The number of closed claims, average paid claim and total amount paid are included in each of these six categories:

- Area of real estate in which the claims were filed.
- Major activity in which the agent was engaged at the time the alleged error or omission occurred.

- Alleged error or omission that was the most significant reason for making the claim.
- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

Eleven companies reported writing real estate malpractice insurance business in Missouri during 2000, compared to five companies reporting premium written in 1999. The four top writers of real estate malpractice insurance in Missouri maintain more than 90 percent of the market: Continental Casualty Company with 62 percent, St. Paul Fire and Marine Insurance Company with 17 percent, United States Liability Insurance Company with 9 percent and National Surety Corporation with 5 percent.

This report was compiled using information submitted by the insurance companies. As a result, the accuracy of this report is dependent upon the accuracy of each company's data. Copies of this report will be made available in braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Missouri Department of Insurance, P.O. Box 690, Jefferson City, Missouri 65102-0690.

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TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
I	TEN YEAR SUMMARY	1
II	INDEMNITY SUMMARY	
	Area of Real Estate - Ten Year and 2000 Summary	7
	Area of Real Estate Trends of 2000	11
	Major Activity - Ten Year and 2000 Summary	15
	Major Activity Trends of 2000	19
	Alleged Error or Omission - Ten Year and 2000 Summary	25
	Alleged Error or Omission Trends of 2000	29
	Claim Disposition - Ten Year and 2000 Summary	35
	Claim Disposition Trends of 2000	39
	Years Admitted to Practice - Ten Year and 2000 Summary	47
	Years Admitted to Practice Trends of 2000	51
	Insured/Claimant Relationship - Ten Year and 2000 Summary	57
	Insured/Claimant Relationship Trends of 2000	61
III	PREMIUM AND LOSS DATA	65
IV	DEFINITION OF TERMS	71

**TEN YEAR
SUMMARY
(1991 - 2000)**

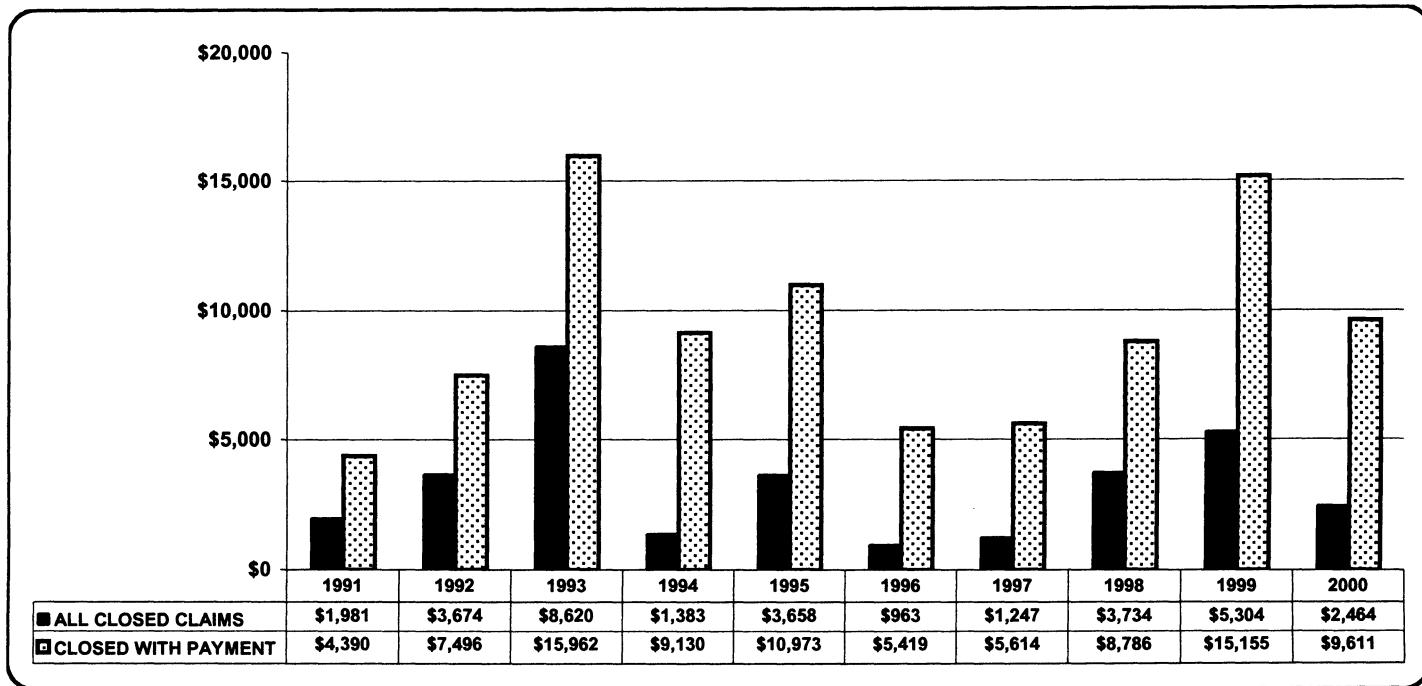
REAL ESTATE MALPRACTICE EXPERIENCE TEN YEAR SUMMARY

1991 - 2000

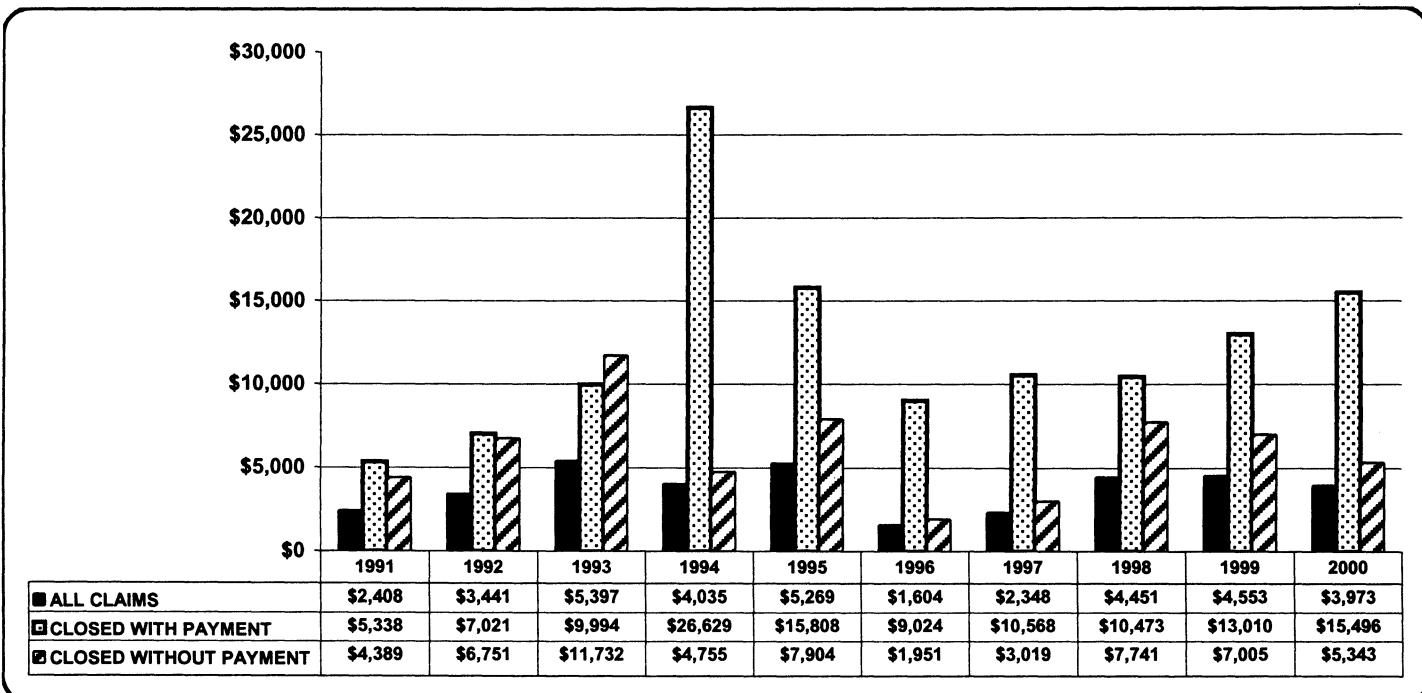
CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	479	100.0%	\$1,537,685	\$3,210	\$1,700,971	\$3,551
Closed with Payment	169	35.3%	\$1,537,685	\$9,099	\$1,154,631	\$6,832
Closed without Payment	310	64.7%	\$0	\$0	\$546,340	\$1,762

MISSOURI REAL ESTATE MALPRACTICE INSURANCE

Average Paid Claim

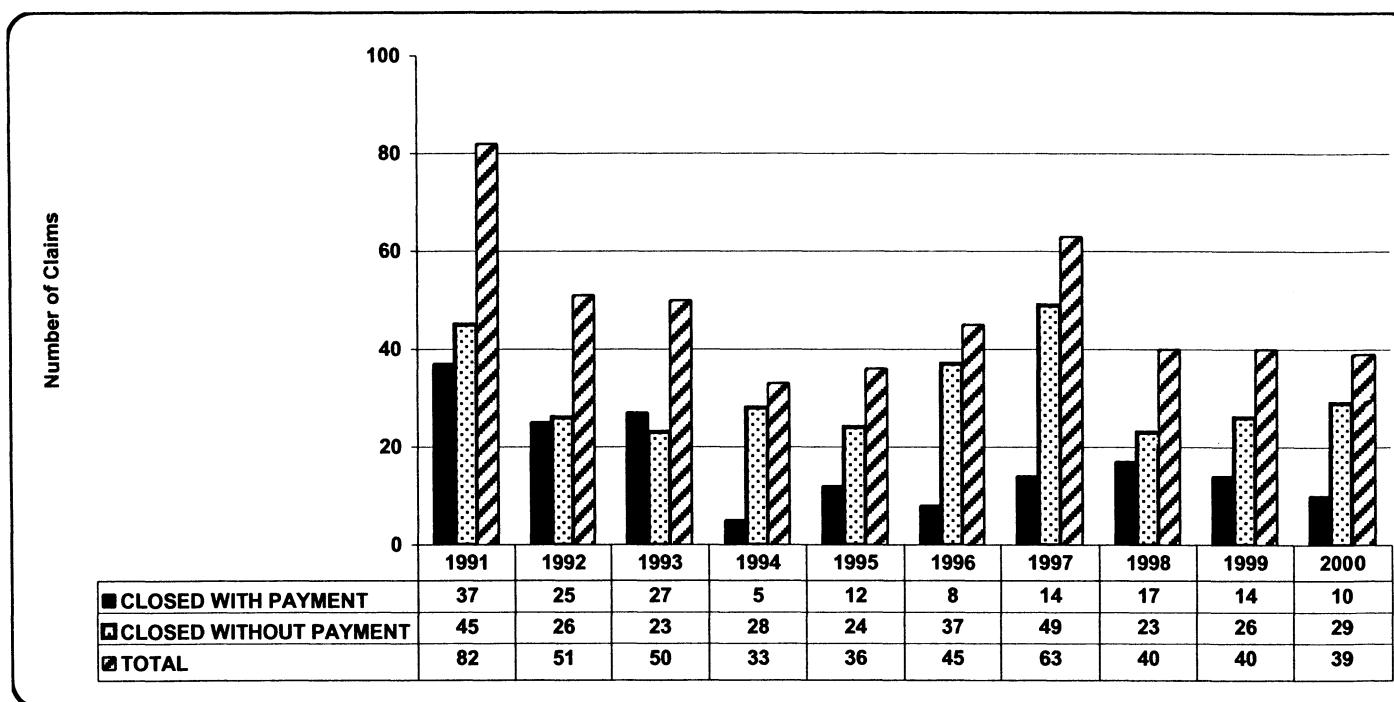


Average Paid Loss Adjustment Expense



MISSOURI REAL ESTATE MALPRACTICE INSURANCE

Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
AREA OF REAL ESTATE**

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

FOR YEARS 1991 – 2000

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	347	115	68.05%	\$10,888	\$1,252,165	81.43%	\$3,958
NOT SPECIFIED	74	32	18.93%	\$5,065	\$162,070	10.54%	\$1,906
AS AGENT TO PROCURE PROPERTY TO PURCHASE	57	22	13.02%	\$5,611	\$123,450	8.03%	\$3,151
OTHER	1	0	0.00%	N/A	\$0	0.00%	\$7,101
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

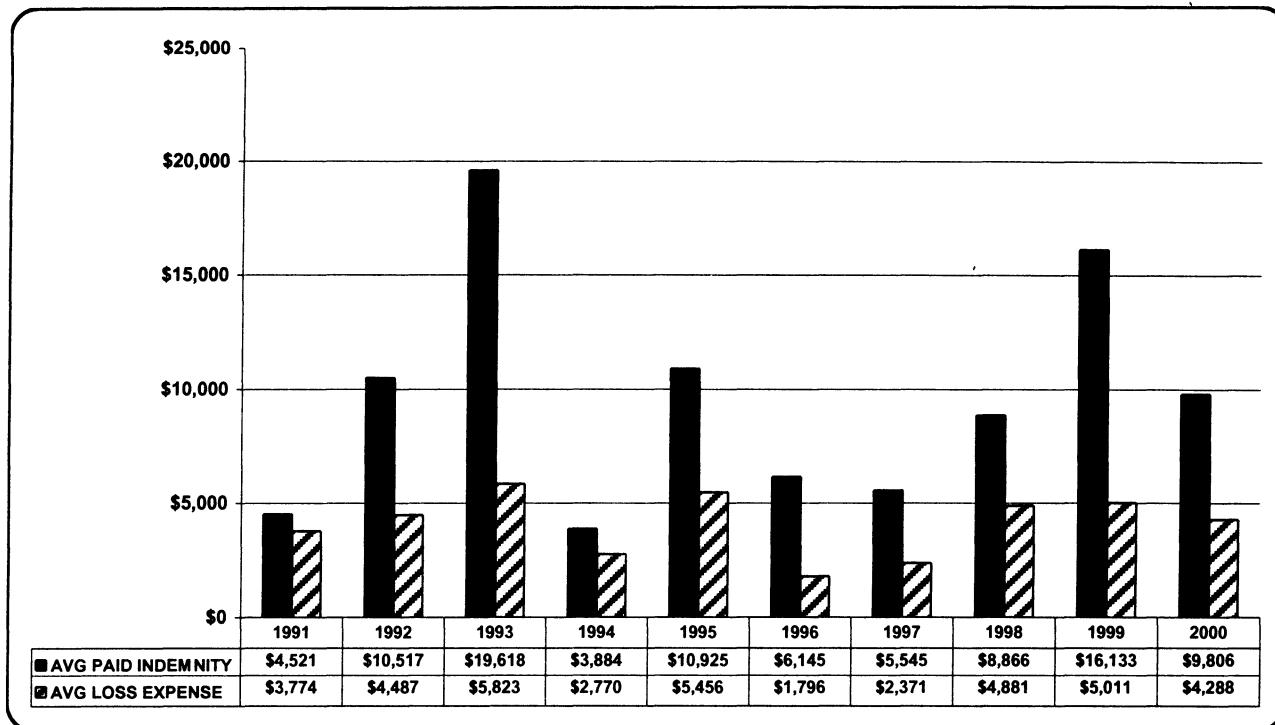
CLAIMS CLOSED IN 2000

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	36	9	90.00%	\$9,806	\$88,255	91.83%	\$4,288
AS AGENT TO PROCURE PROPERTY TO PURCHASE	3	1	10.00%	\$7,850	\$7,850	8.17%	\$202
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

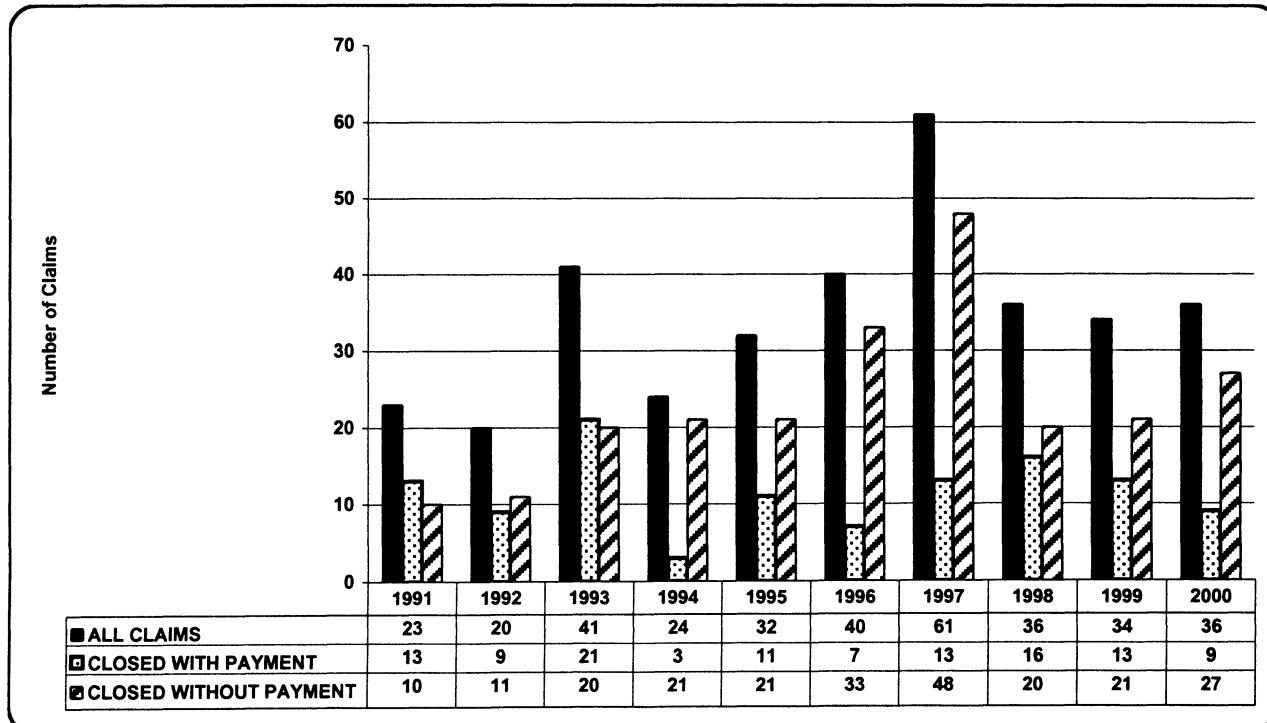
**AREA OF REAL ESTATE
TRENDS
OF
2000**

AS AGENT TO PROCURE PURCHASE OF PROPERTY

Average Paid Indemnity & Average Loss Expense

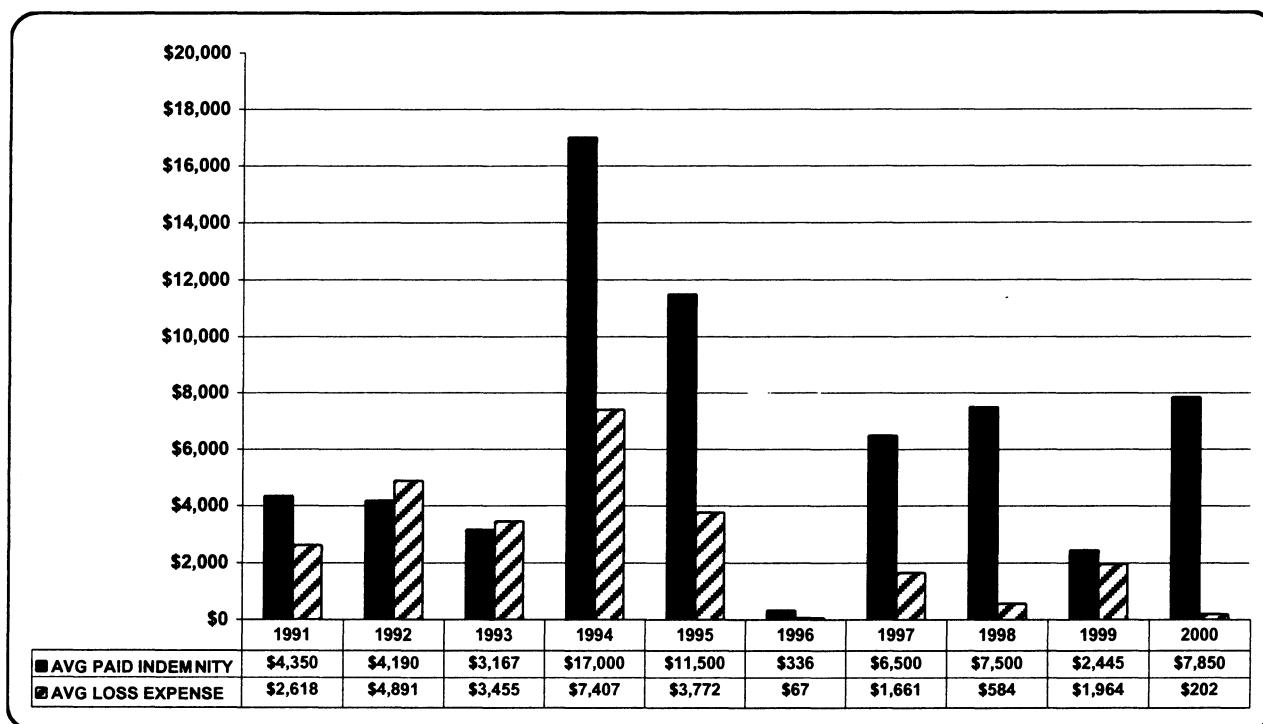


Claim Count

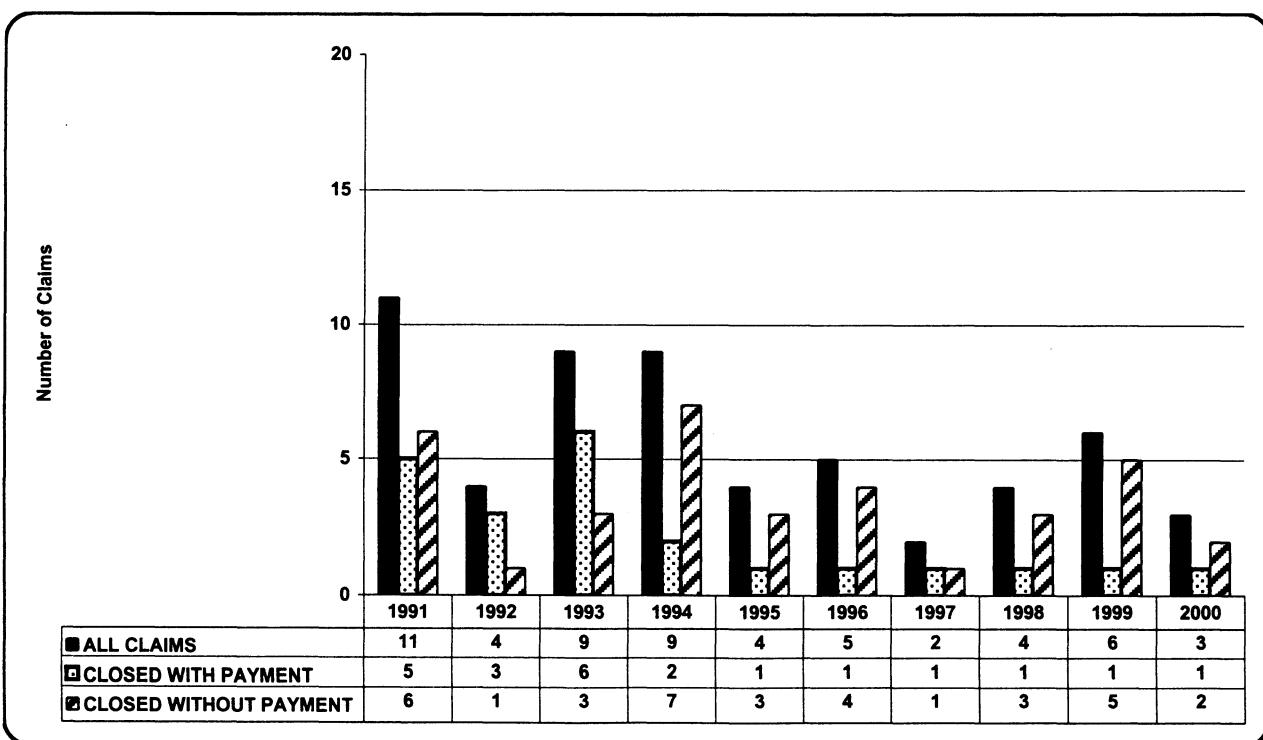


AS AGENT TO PROCURE PROPERTY TO PURCHASE

Average Paid Indemnity & Average Loss Expense



Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
MAJOR ACTIVITY**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY ANALYSIS**
FOR YEARS 1991 – 2000

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
LISTING THE PROPERTY FOR SALE	236	73	43.20%	\$11,997	\$875,816	56.96%	\$3,629
SHOWING PROPERTY	112	47	27.81%	\$8,290	\$389,609	25.34%	\$3,530
NOT SPECIFIED	74	32	18.93%	\$5,065	\$162,070	10.54%	\$1,906
CLOSING AND TRANSFERRING TITLE	57	17	10.06%	\$6,482	\$110,190	7.17%	\$5,405
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

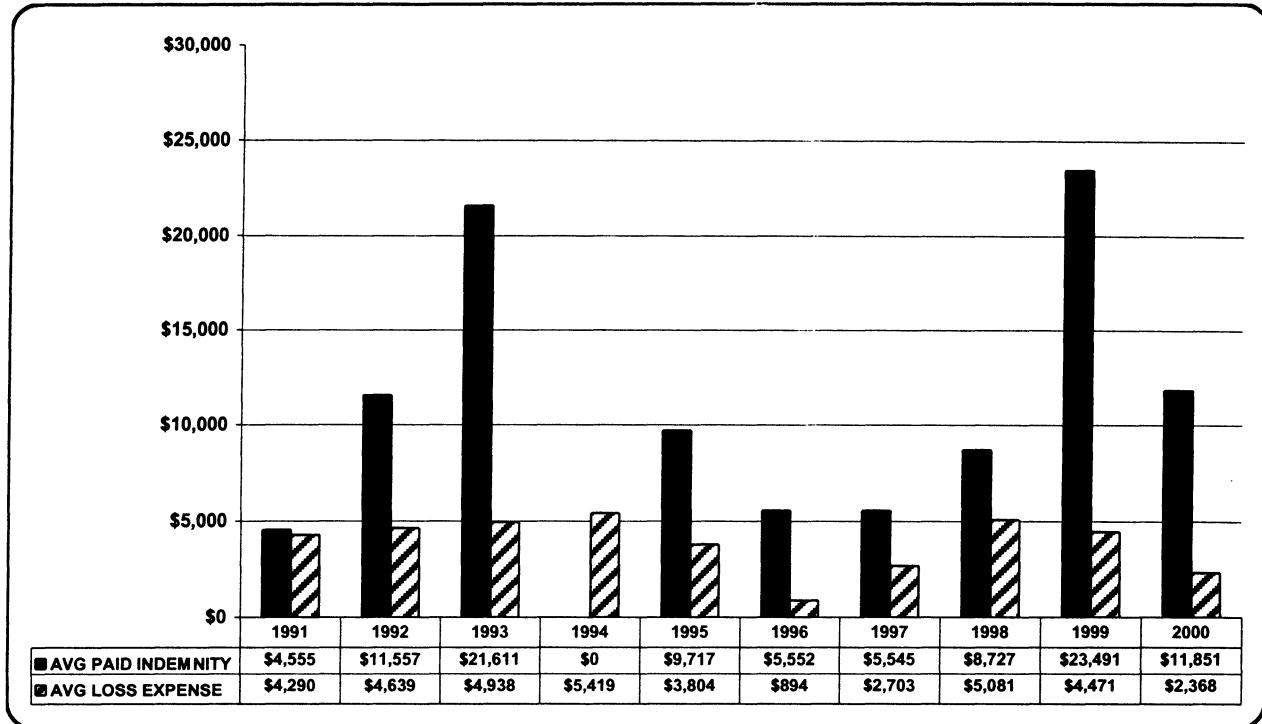
CLAIMS CLOSED IN 2000

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
LISTING THE PROPERTY FOR SALE	25	5	50.00%	\$11,851	\$59,255	61.66%	\$2,368
SHOWING PROPERTY	9	4	40.00%	\$7,838	\$31,350	32.62%	\$5,820
CLOSING AND TRANSFERRING TITLE	5	1	10.00%	\$5,500	\$5,500	5.72%	\$8,673
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

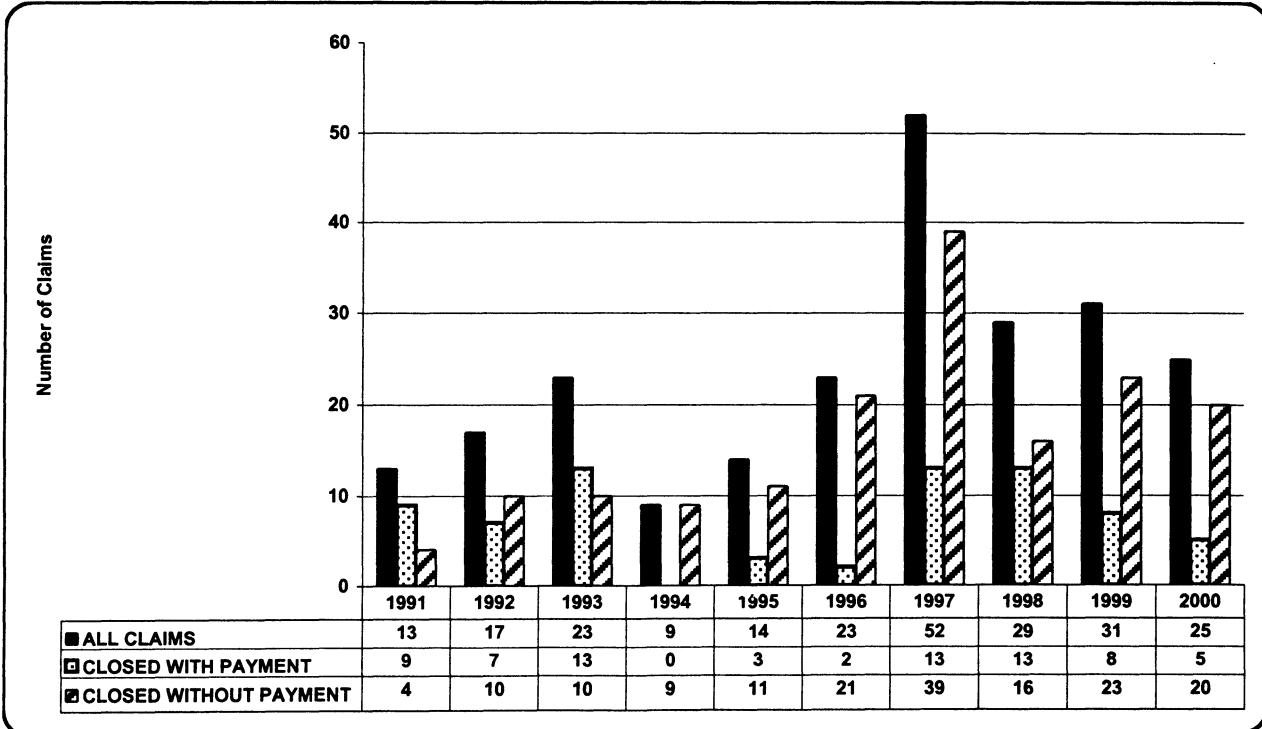
**MAJOR ACTIVITY
TRENDS
OF
2000**

LISTING THE PROPERTY FOR SALE

Average Paid Indemnity & Average Loss Expense

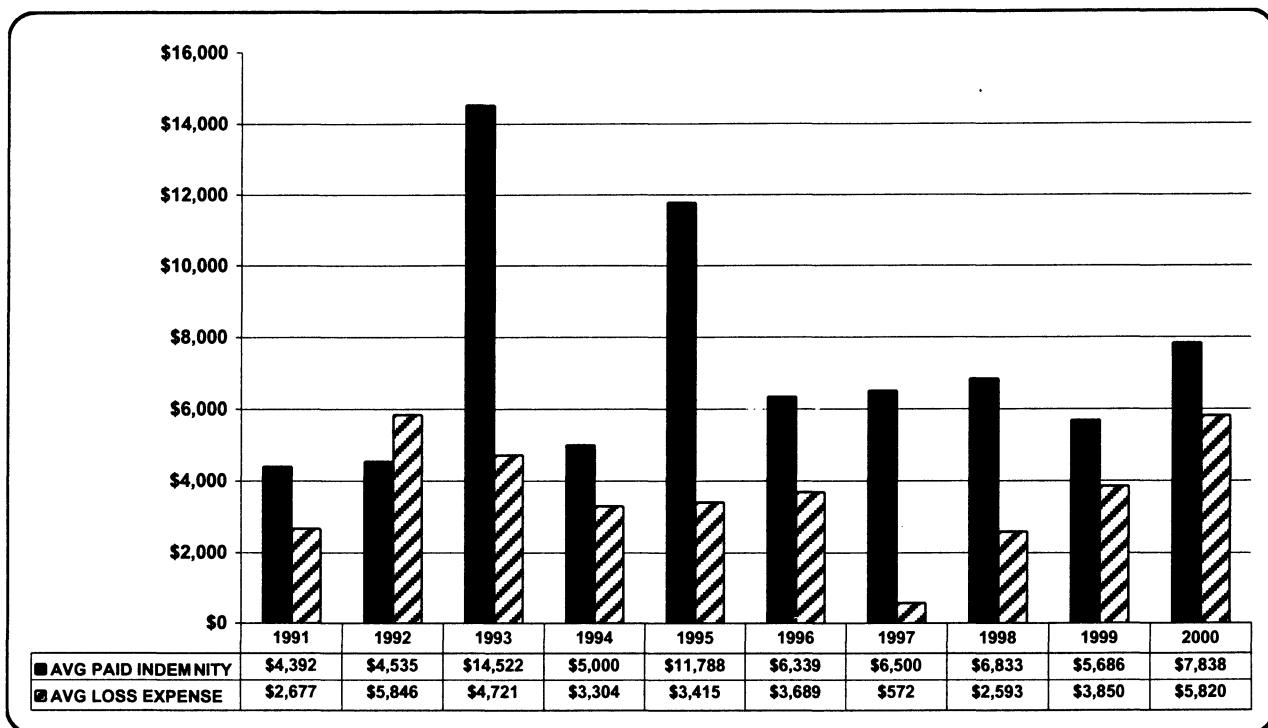


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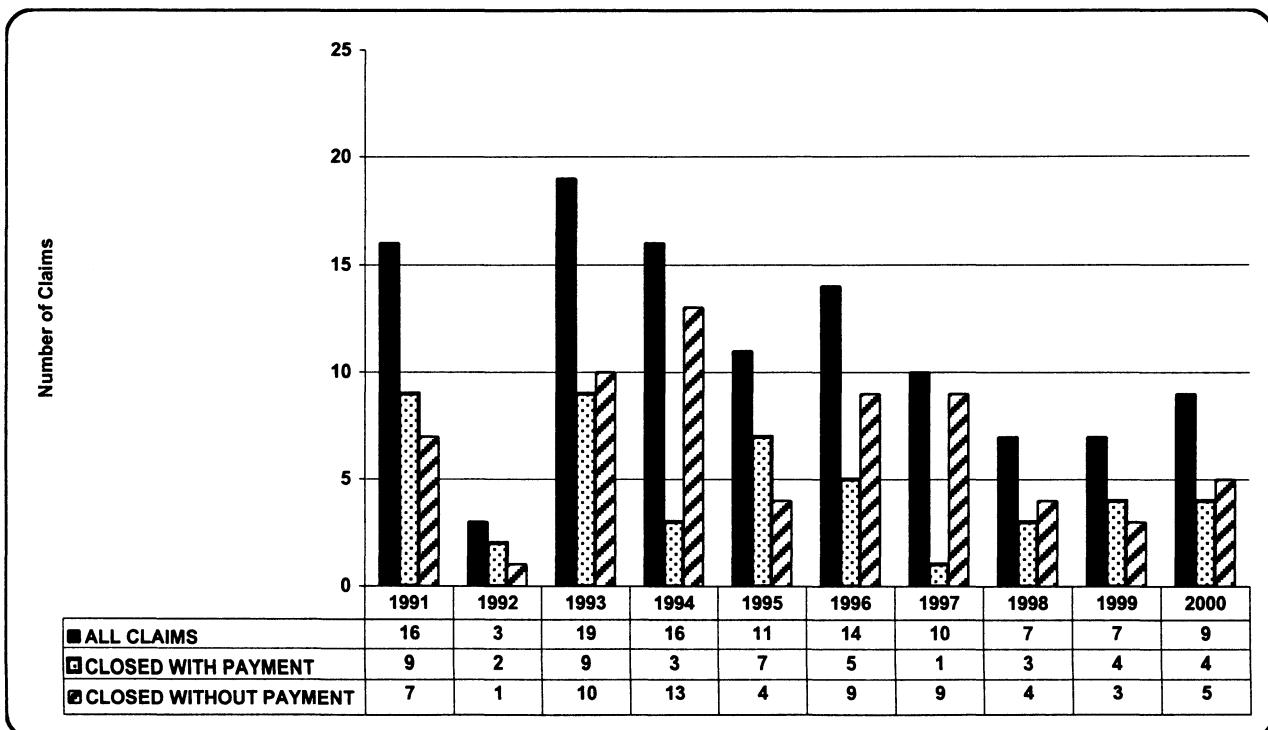


SHOWING PROPERTY

Average Paid Indemnity & Average Loss Expense

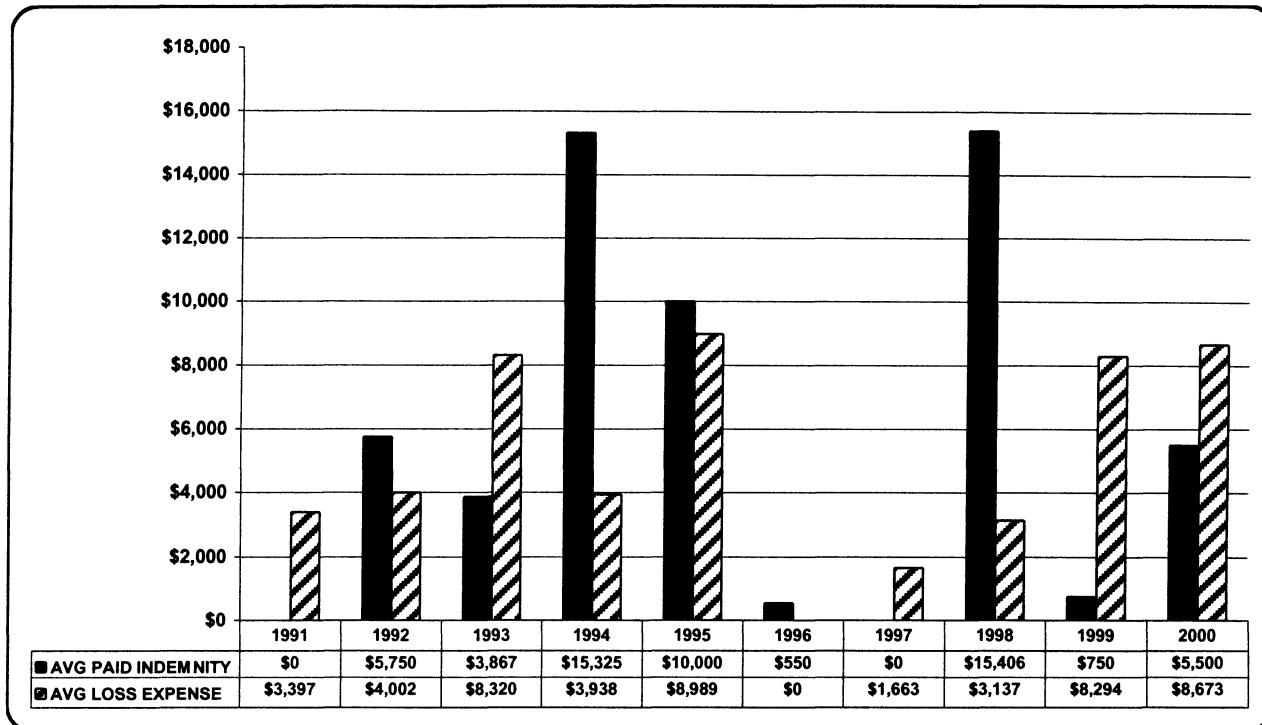


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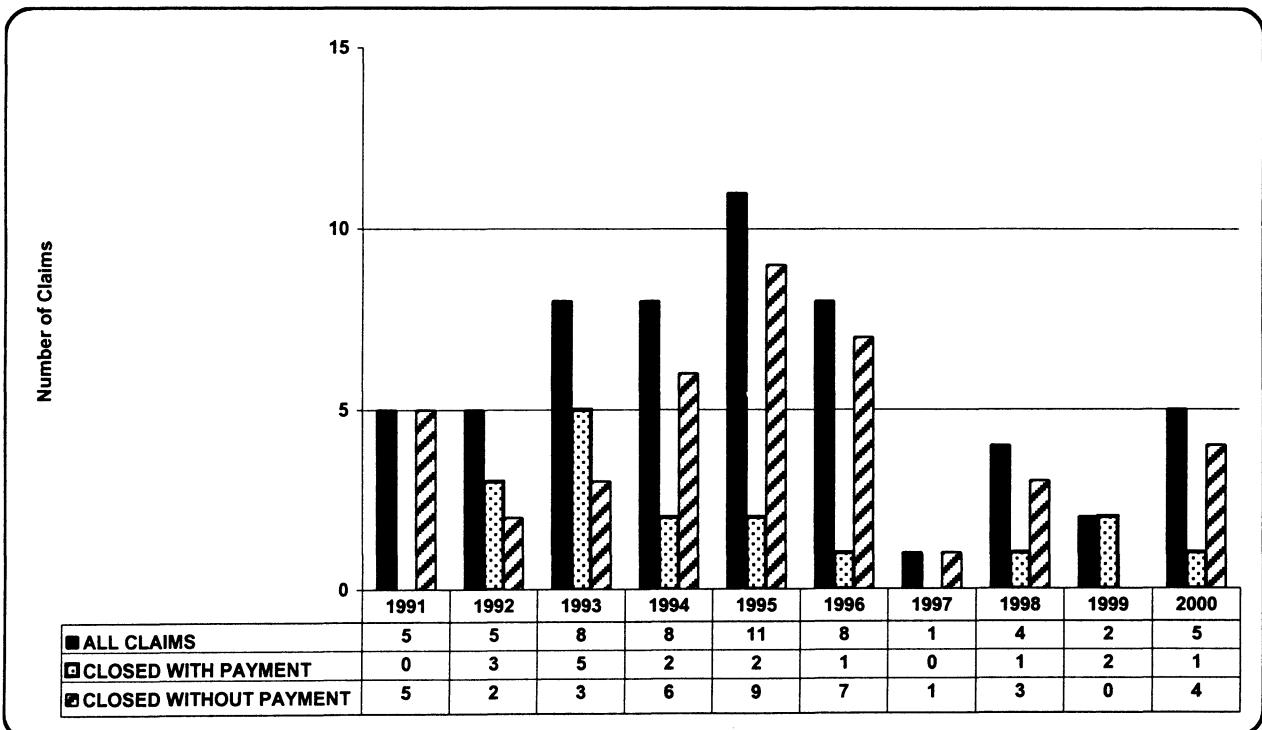


CLOSING AND TRANSFERRING TITLE

Average Paid Indemnity & Average Loss Expense



Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
ALLEGED ERROR OR OMISSION**

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

FOR YEARS 1991 – 2000

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY	315	108	63.91%	\$10,445	\$1,128,046	73.36%	\$3,973
NOT SPECIFIED	74	32	18.93%	\$5,065	\$162,070	10.54%	\$1,906
OTHER	64	19	11.24%	\$9,968	\$189,392	12.32%	\$3,496
FAILURE TO CORRECTLY COMPLETE FORMS TO TRANSFER OWNERSHIP	26	10	5.92%	\$5,818	\$58,177	3.78%	\$3,261
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

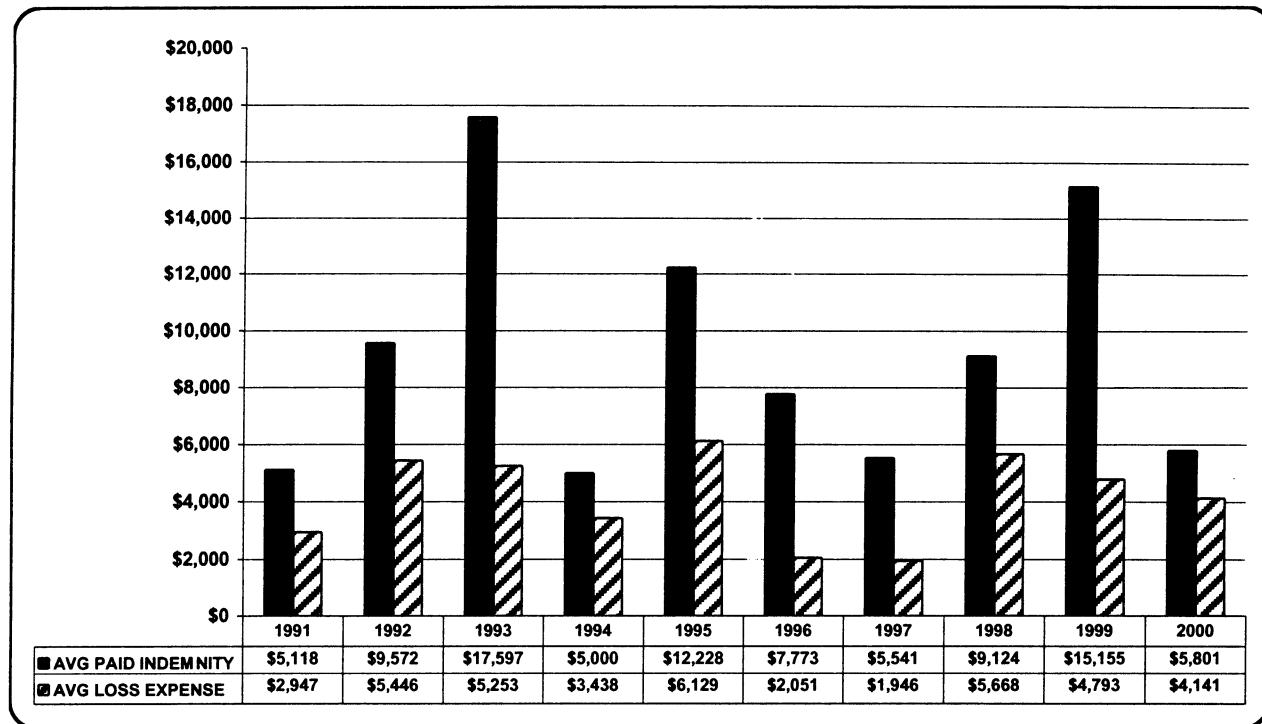
CLAIMS CLOSED IN 2000

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY	29	5	50.00%	\$5,801	\$29,005	30.18%	\$4,141
OTHER	9	5	50.00%	\$13,420	\$67,100	69.82%	\$3,876
FAILURE TO CORRECTLY COMPLETE FORMS TO TRANSFER OWNERSHIP	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

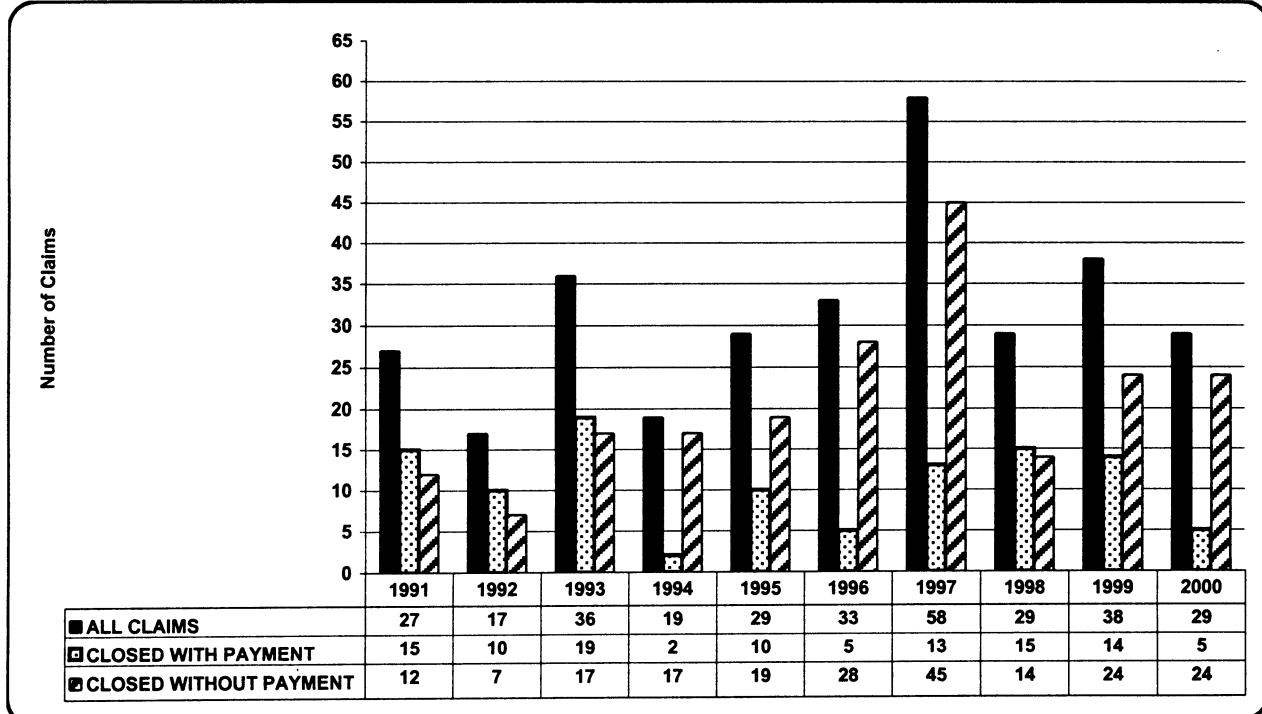
**ALLEGED ERROR OR OMISSION
TRENDS
OF
2000**

FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY

Average Paid Indemnity & Average Loss Expense

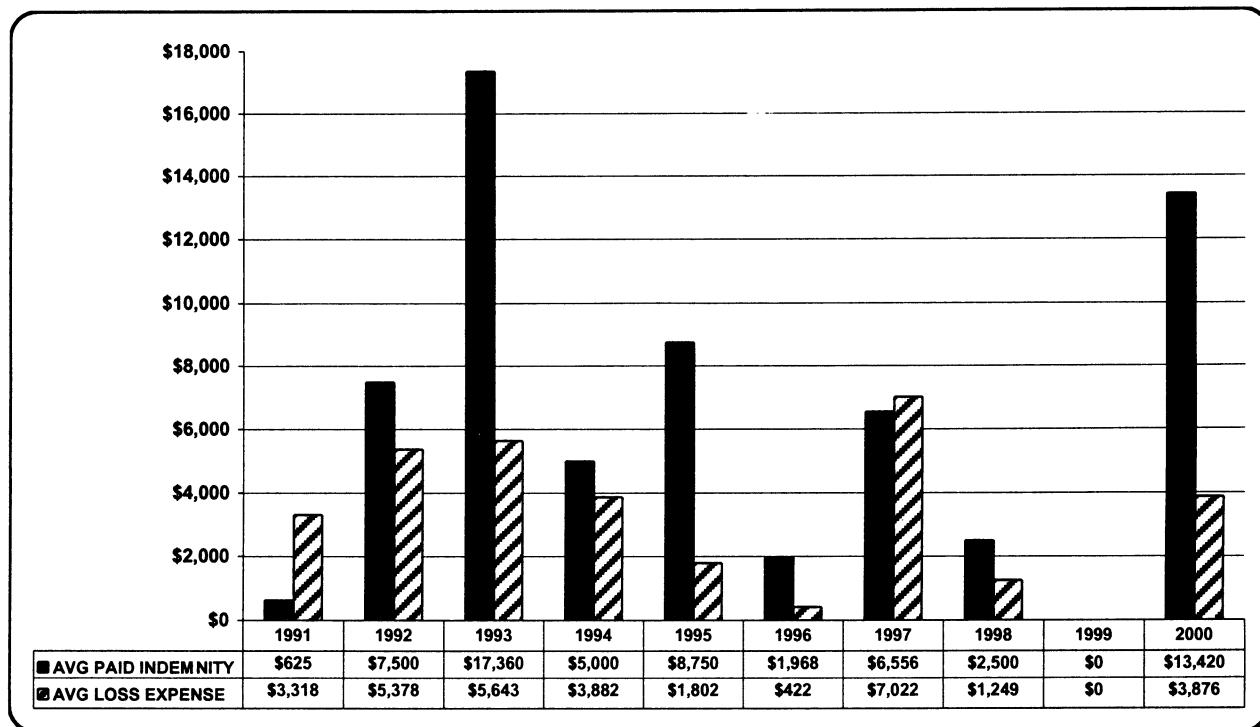


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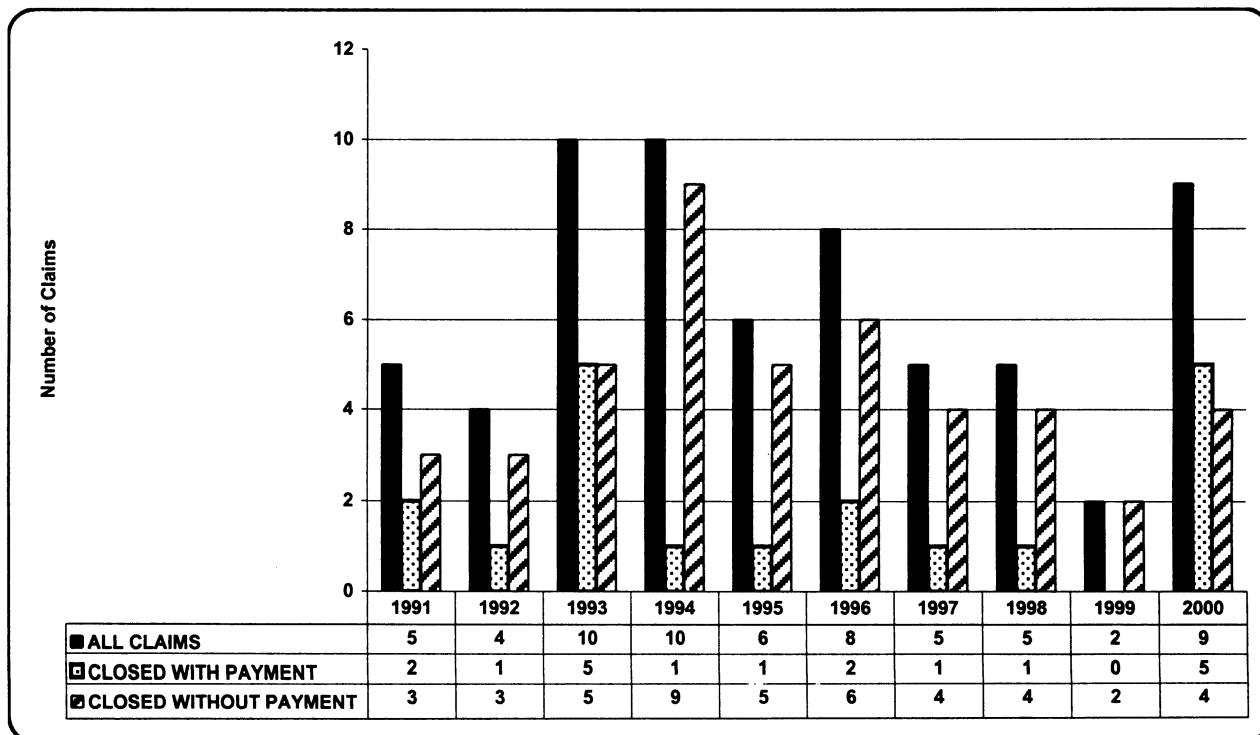


OTHER

Average Paid Indemnity & Average Loss Expense

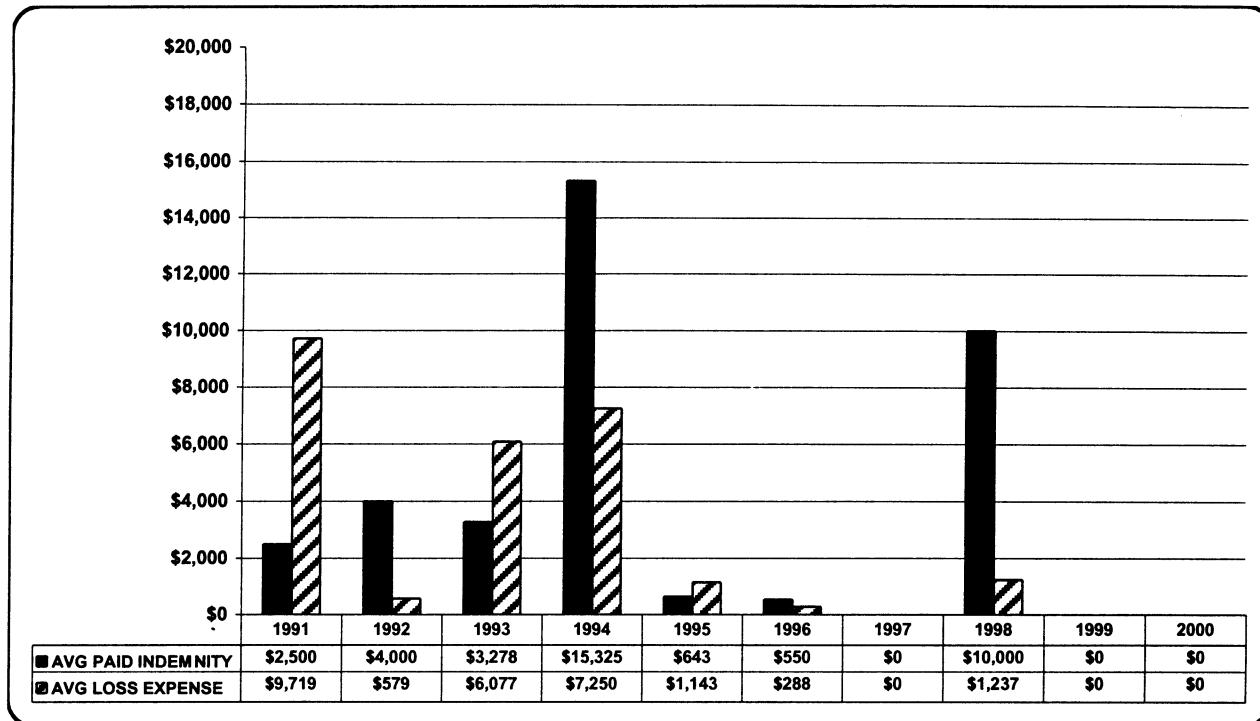


Claim Count

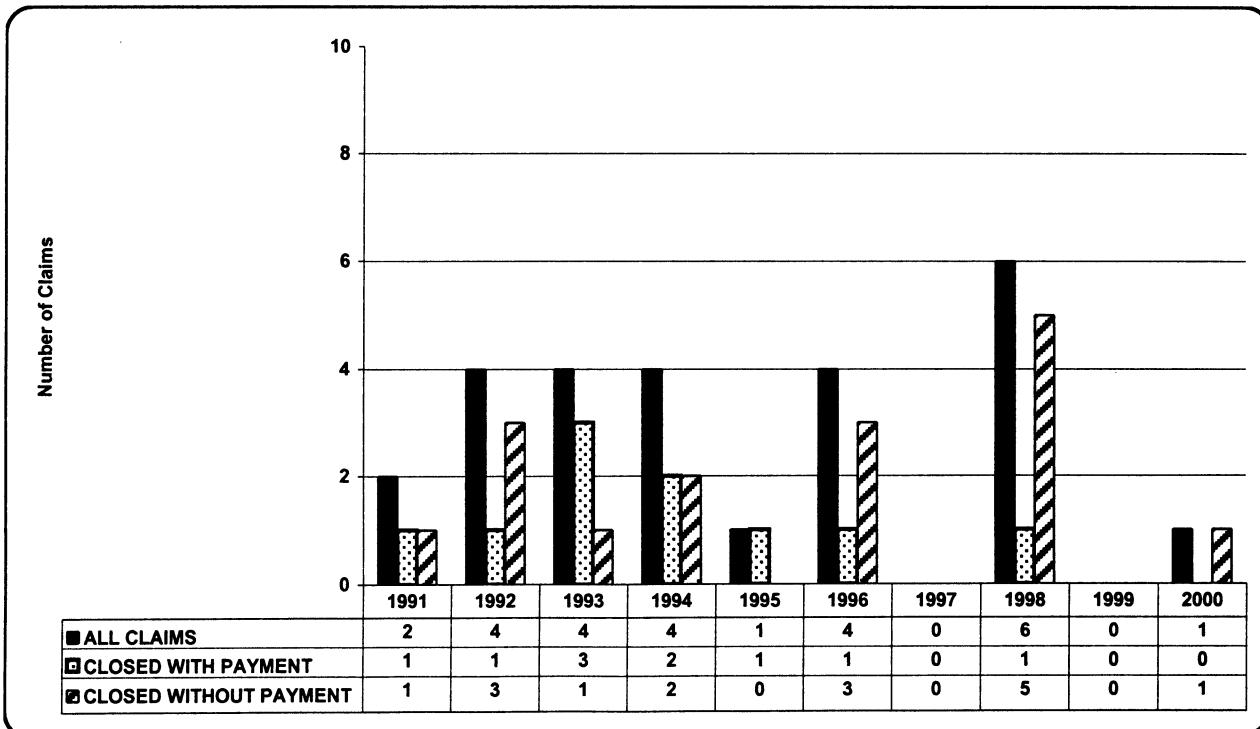


FAILURE TO CORRECTLY COMPLETE FORMS TO TRANSFER OWNERSHIP

Average Paid Indemnity & Average Loss Expense



Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
CLAIM DISPOSITION**

REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 1991 – 2000

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE TRIAL OR HEARING	155	95	56.21%	\$11,185	\$1,062,571	69.10%	\$5,984
CLAIM OR SUIT ABANDONED	120	2	1.18%	\$3,325	\$6,651	0.43%	\$1,079
NOT SPECIFIED	96	46	27.22%	\$5,306	\$244,066	15.87%	\$2,435
BEFORE FILING SUIT OR DEMANDING HEARING	75	18	10.65%	\$6,270	\$112,866	7.34%	\$809
AFTER JUDGMENT, BEFORE APPEAL	17	1	0.59%	\$20,169	\$20,169	1.31%	\$11,588
DURING TRIAL OR HEARING	14	6	3.55%	\$14,310	\$85,862	5.58%	\$7,868
AFTER APPEAL	1	0	0.00%	#DIV/0!	\$0	0.00%	\$6,028
DURING APPEAL	1	1	0.59%	\$5,500	\$5,500	0.36%	\$36,257
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

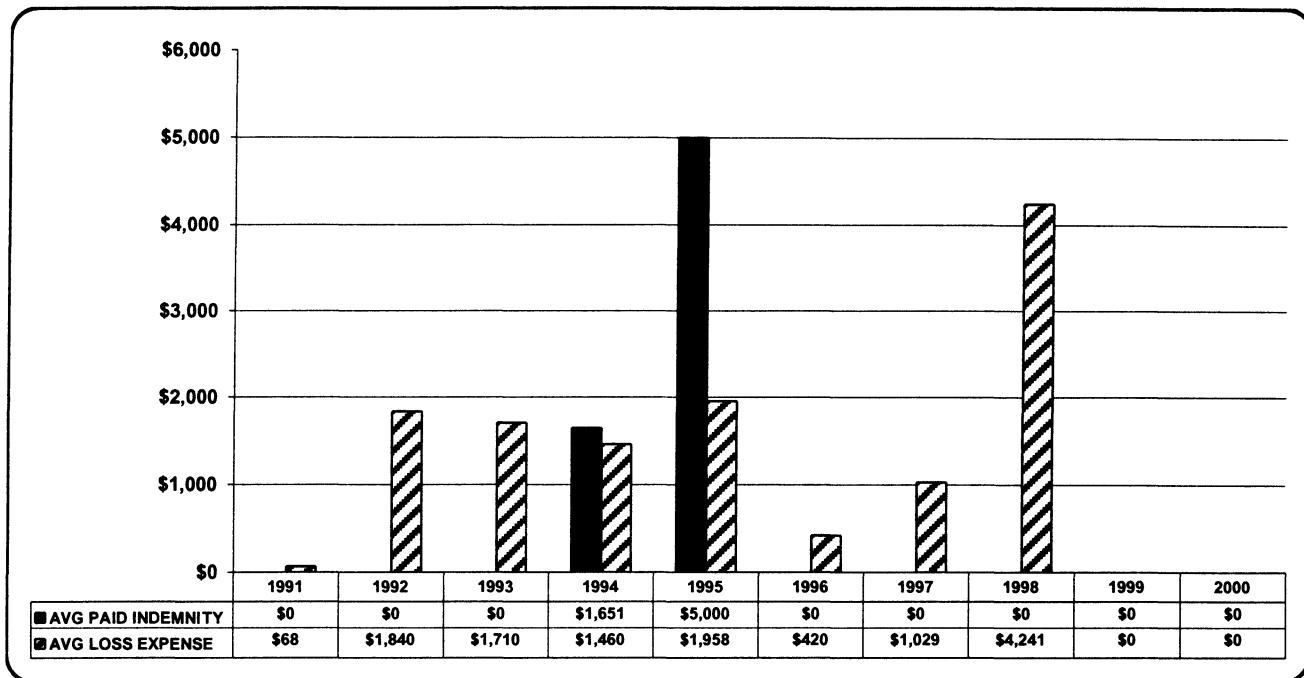
CLAIMS CLOSED IN 2000

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLAIM OR SUIT ABANDONED	14	0	0.00%	N/A	\$0	0.00%	\$0
BEFORE TRIAL OR HEARING	13	6	60.00%	\$13,625	\$81,750	85.06%	\$8,529
BEFORE FILING SUIT OR DEMANDING HEARING	8	3	30.00%	\$2,952	\$8,855	9.21%	\$47
AFTER JUDGMENT, BEFORE APPEAL	3	0	0.00%	N/A	\$0	0.00%	\$2,485
DURING APPEAL	1	1	10.00%	\$5,500	\$5,500	5.72%	\$36,257
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

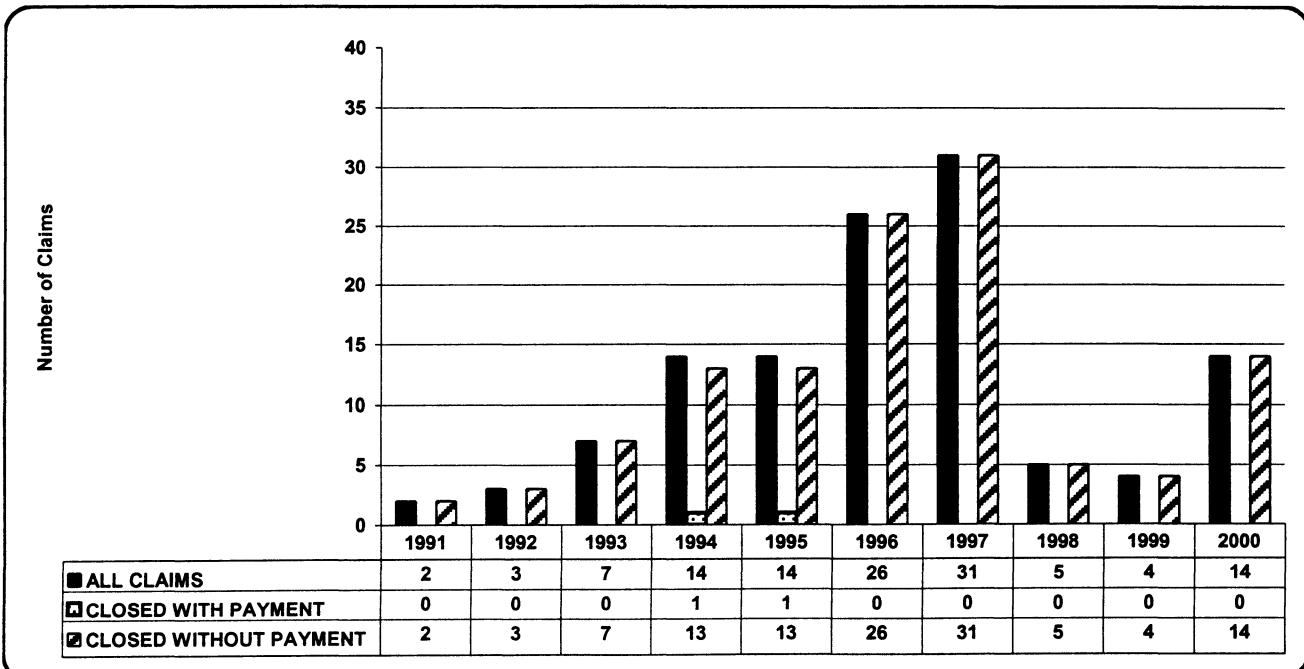
**CLAIM DISPOSITION
TRENDS
OF
2000**

CLAIM OR SUIT ABANDONED

Average Paid Indemnity & Average Loss Expense

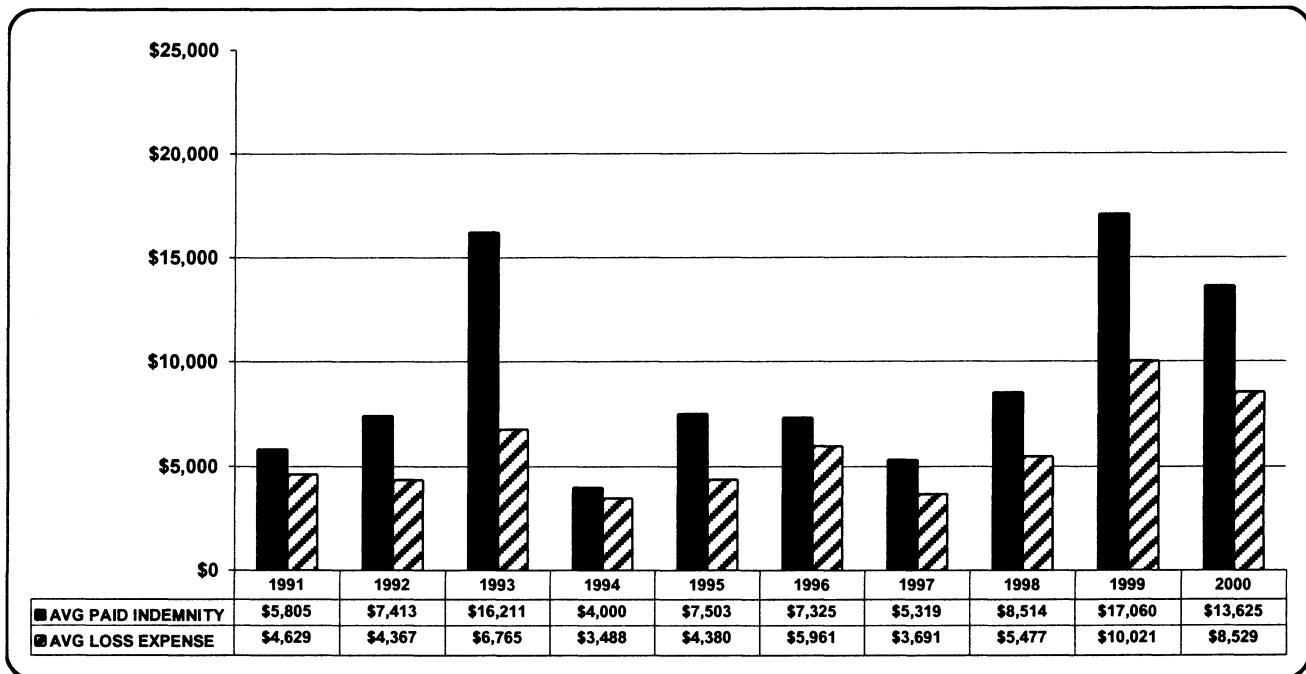


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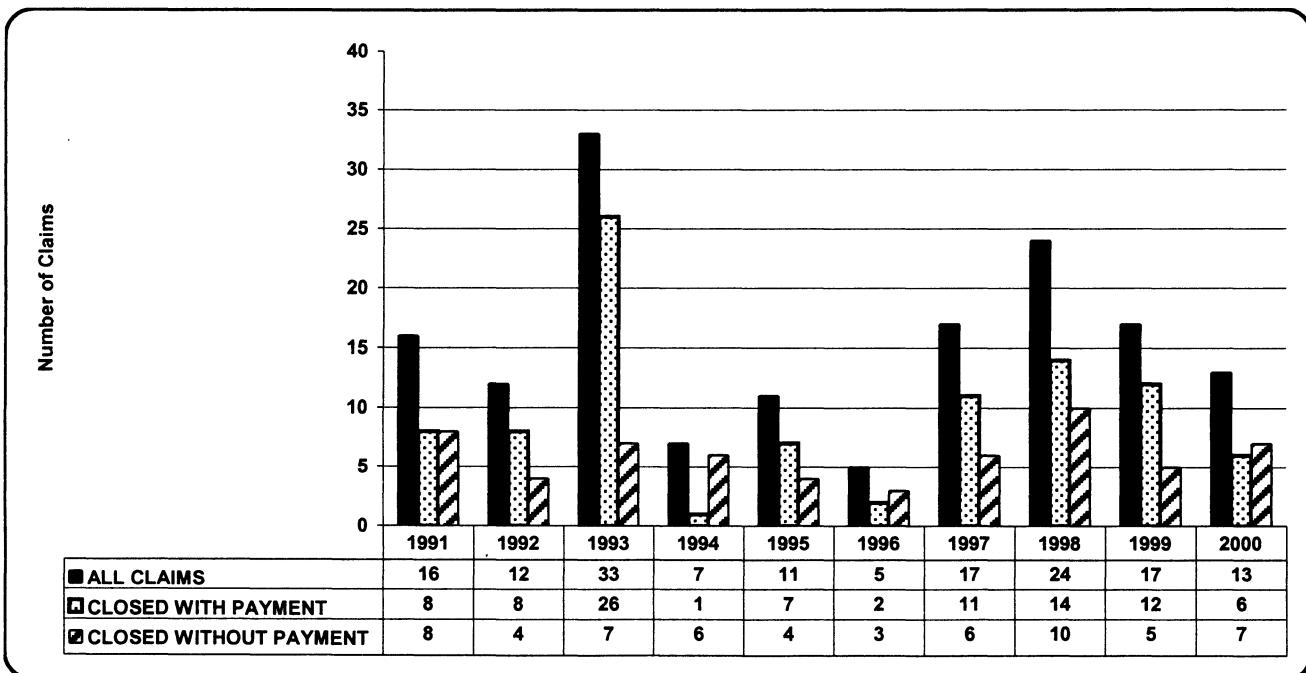


BEFORE TRIAL OR HEARING

Average Paid Indemnity & Average Loss Expense

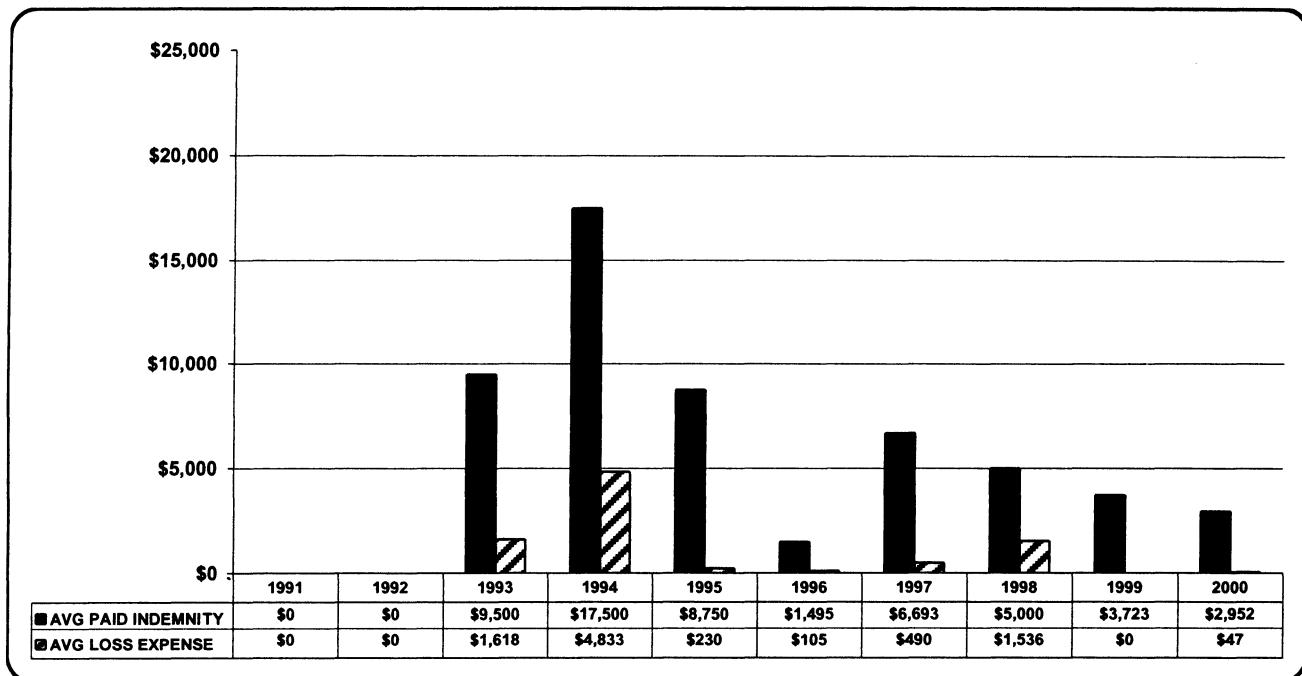


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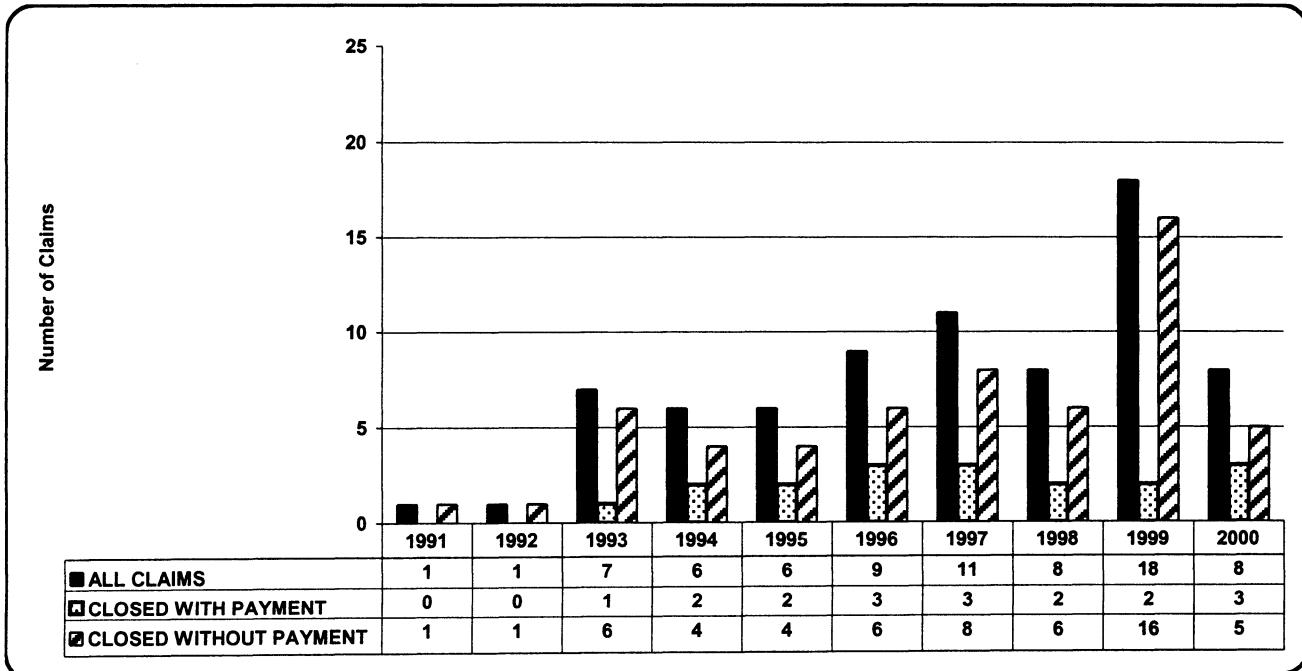


BEFORE FILING SUIT OR DEMANDING HEARING

Average Paid Indemnity & Average Loss Expense

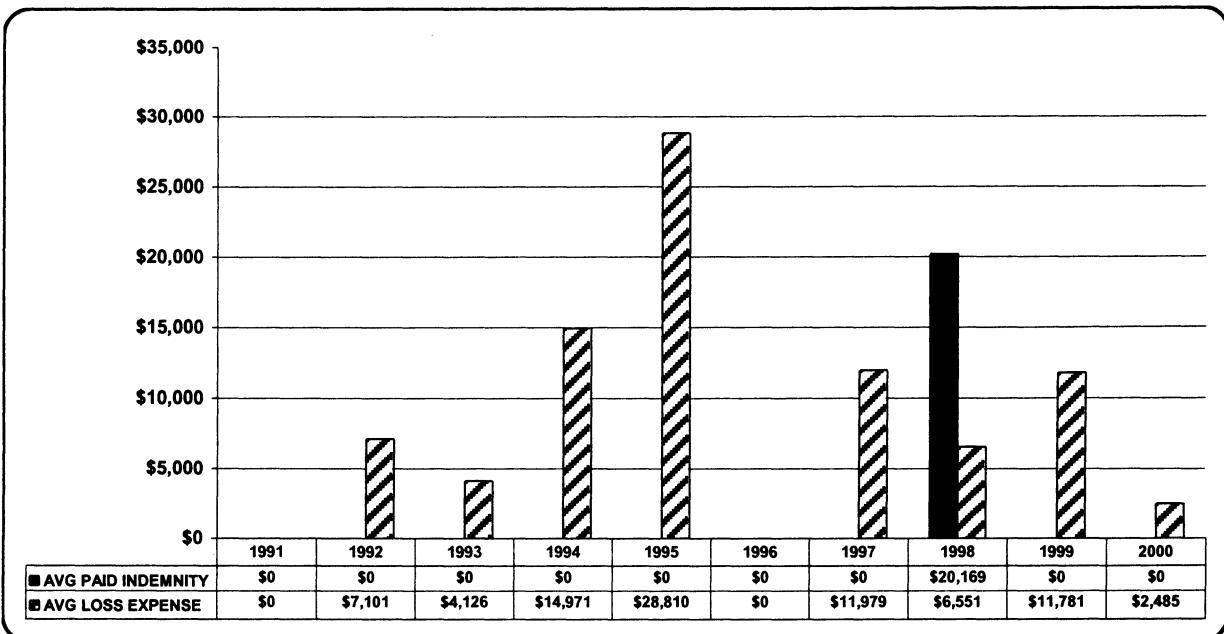


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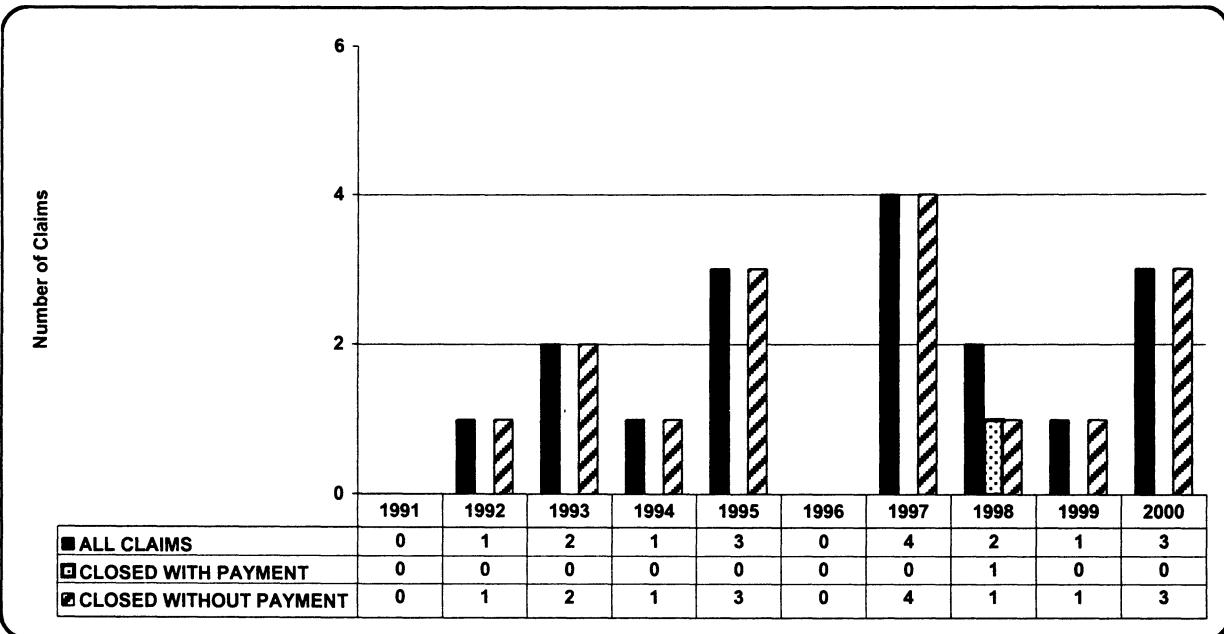


AFTER JUDGMENT, BEFORE APPEAL

Average Paid Indemnity & Average Loss Expense

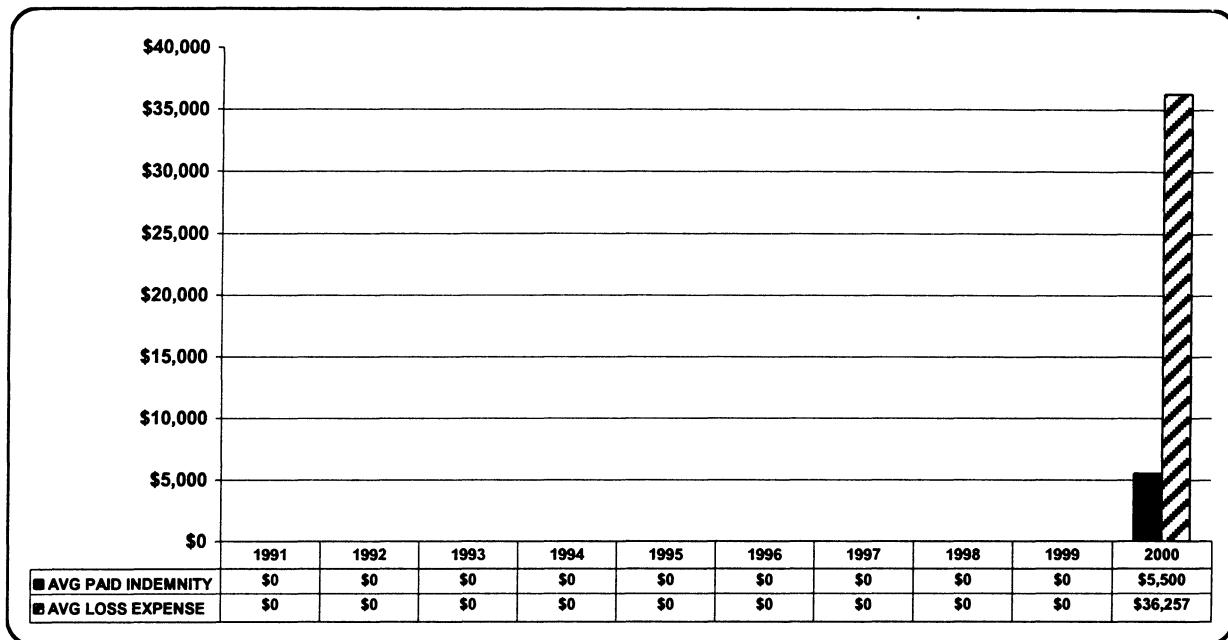


Claim Count

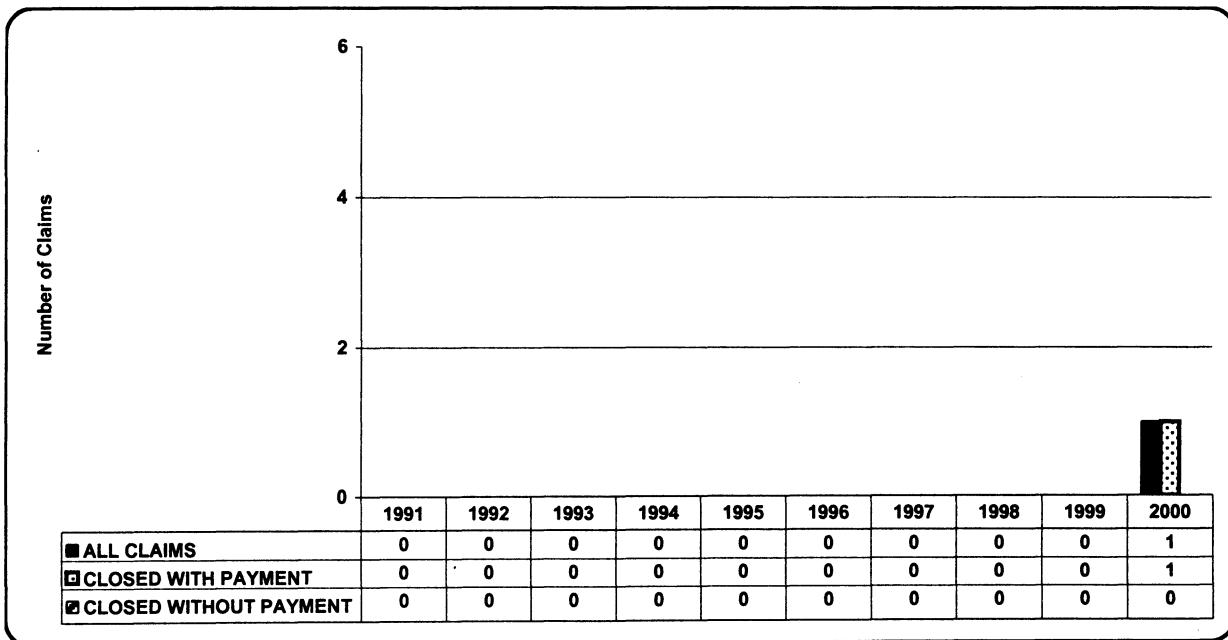


DURING APPEAL

Average Paid Indemnity & Average Loss Expense



Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

FOR YEARS 1991 – 2000

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	195	68	40.24%	\$10,359	\$704,443	45.81%	\$3,850
4 TO 10 YEARS	149	39	23.08%	\$6,010	\$234,396	15.24%	\$3,487
NOT SPECIFIED	103	47	27.81%	\$11,276	\$529,995	34.47%	\$2,911
UNDER 4 YEARS	32	15	8.88%	\$4,590	\$68,851	4.48%	\$4,091
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY ANALYSIS

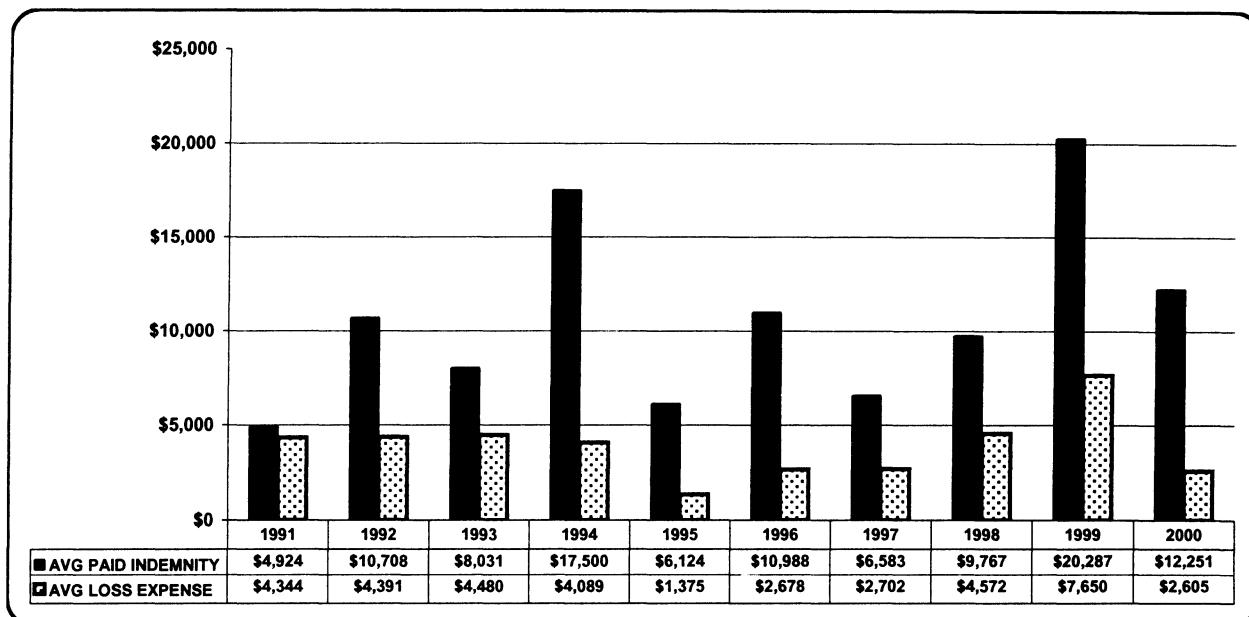
CLAIMS CLOSED IN 2000

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	23	4	40.00%	\$12,251	\$49,005	50.99%	\$2,605
4 TO 10 YEARS	10	2	20.00%	\$7,925	\$15,850	16.49%	\$2,354
UNDER 4 YEARS	6	4	40.00%	\$7,813	\$31,250	32.52%	\$11,918
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

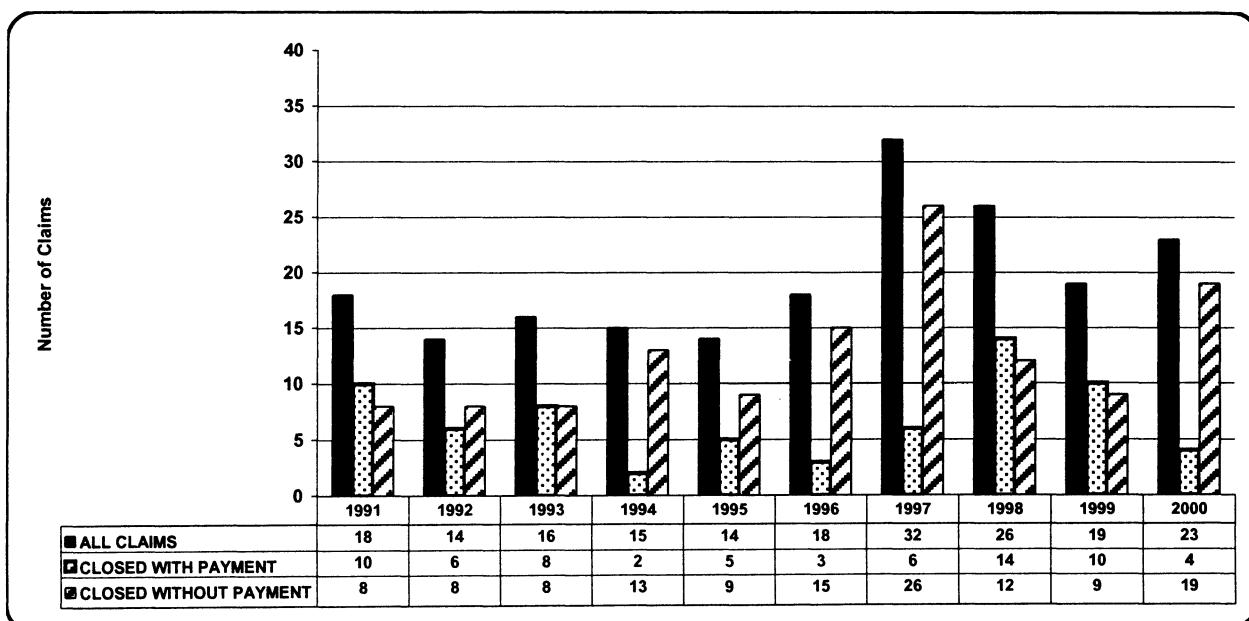
**YEARS ADMITTED TO PRACTICE
TRENDS
OF
2000**

OVER 10 YEARS

Average Paid Indemnity & Average Loss Expense

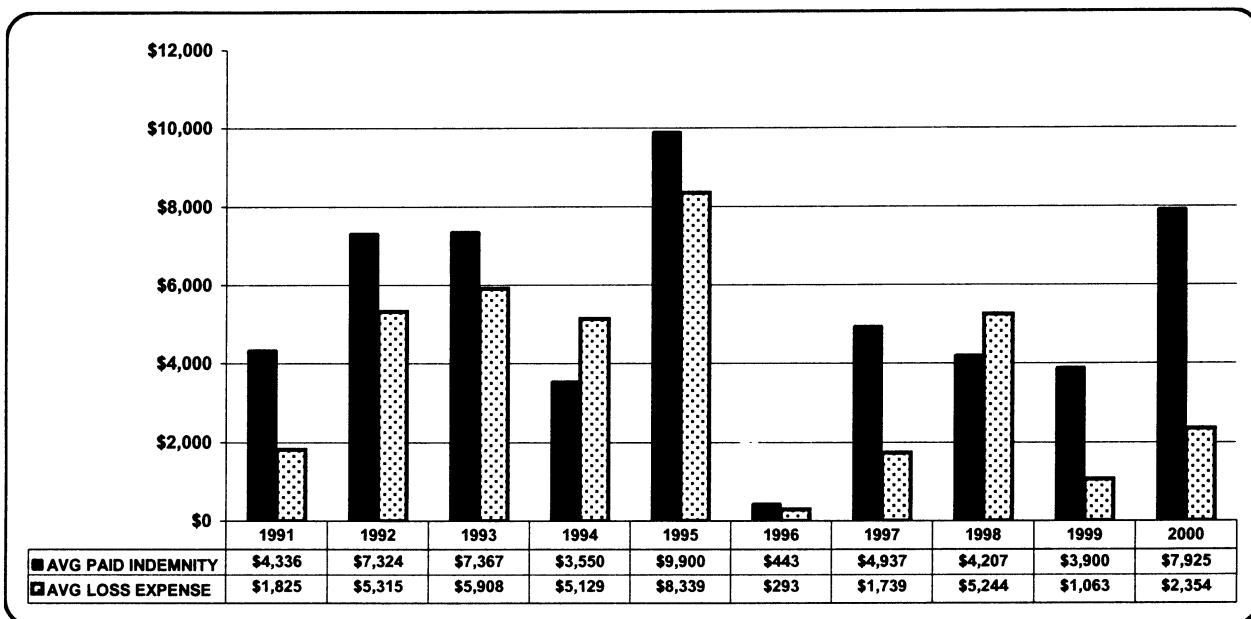


Claim Count

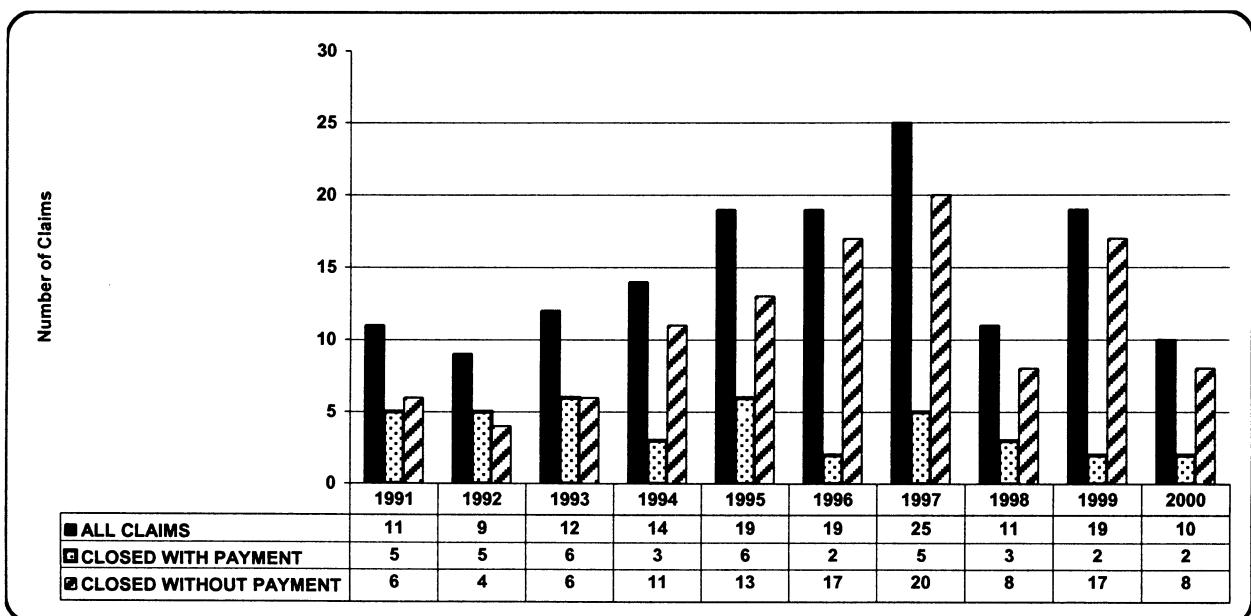


4 TO 10 YEARS

Average Paid Indemnity & Average Loss Expense

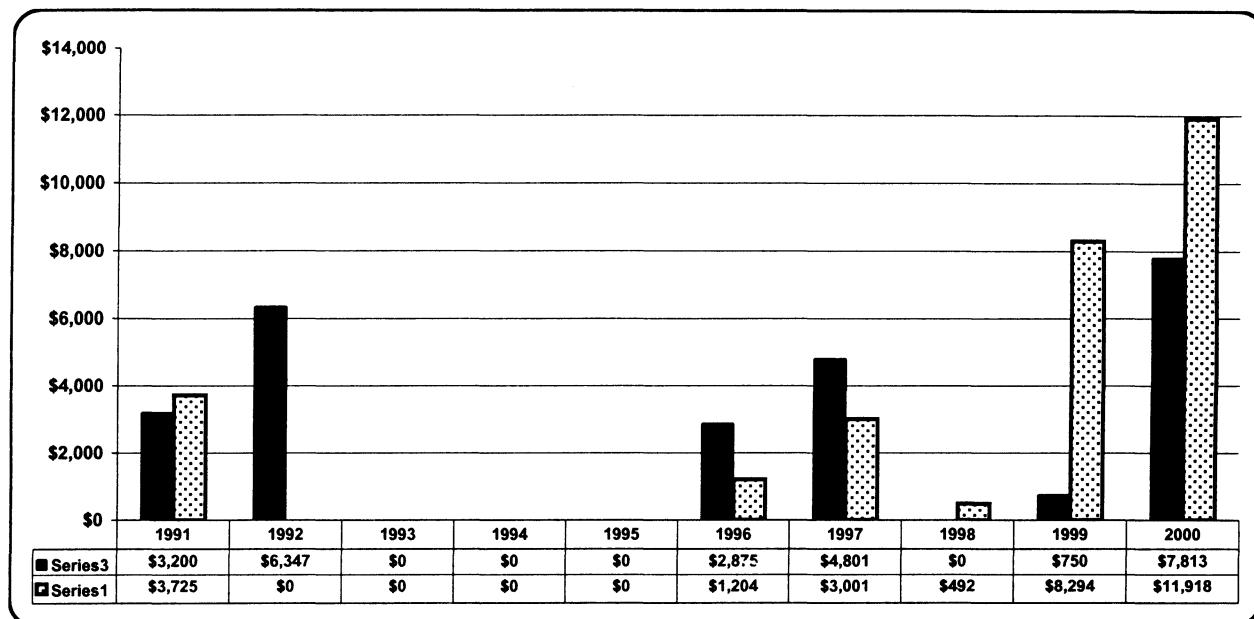


Claim Count

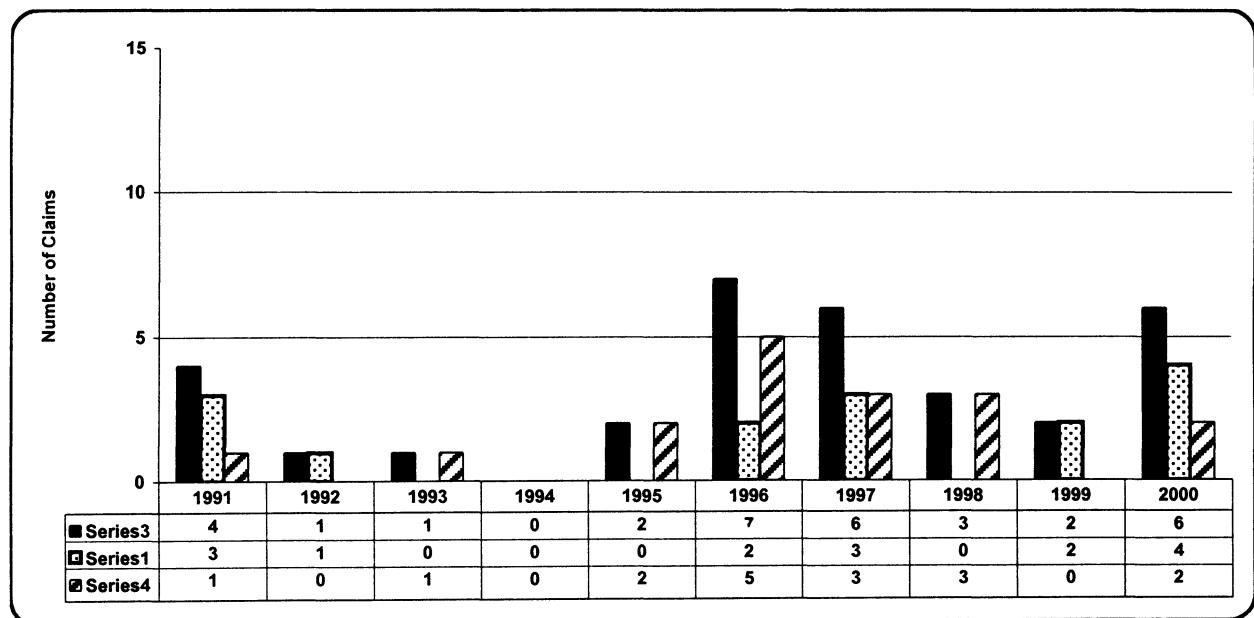


UNDER 4 YEARS

Average Paid Indemnity & Average Loss Expense



Claim Count



**TEN YEAR SUMMARY
&
2000 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY ANALYSIS**
FOR YEARS 1991 – 2000

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT	282	95	56.21%	\$9,920	\$942,380	61.29%	\$3,580
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	123	42	24.85%	\$10,315	\$433,235	28.17%	\$4,476
NOT SPECIFIED	74	32	18.93%	\$5,065	\$162,070	10.54%	\$1,906
TOTAL	479	169	100.00%	\$9,099	\$1,537,685	100.00%	\$3,551

REAL ESTATE MALPRACTICE INSURANCE INDEMNITY ANALYSIS

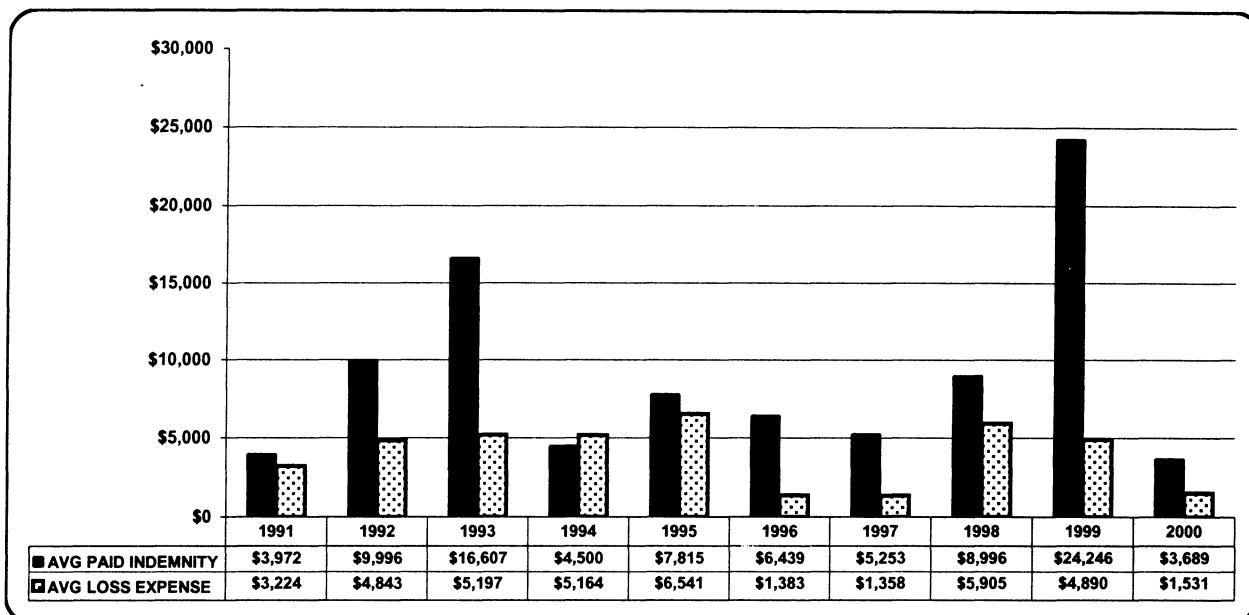
CLAIMS CLOSED IN 2000

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT	25	4	40.00%	\$3,689	\$14,755	15.35%	\$1,531
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	14	6	60.00%	\$13,558	\$81,350	84.65%	\$8,335
TOTAL	39	10	100.00%	\$9,611	\$96,105	100.00%	\$3,973

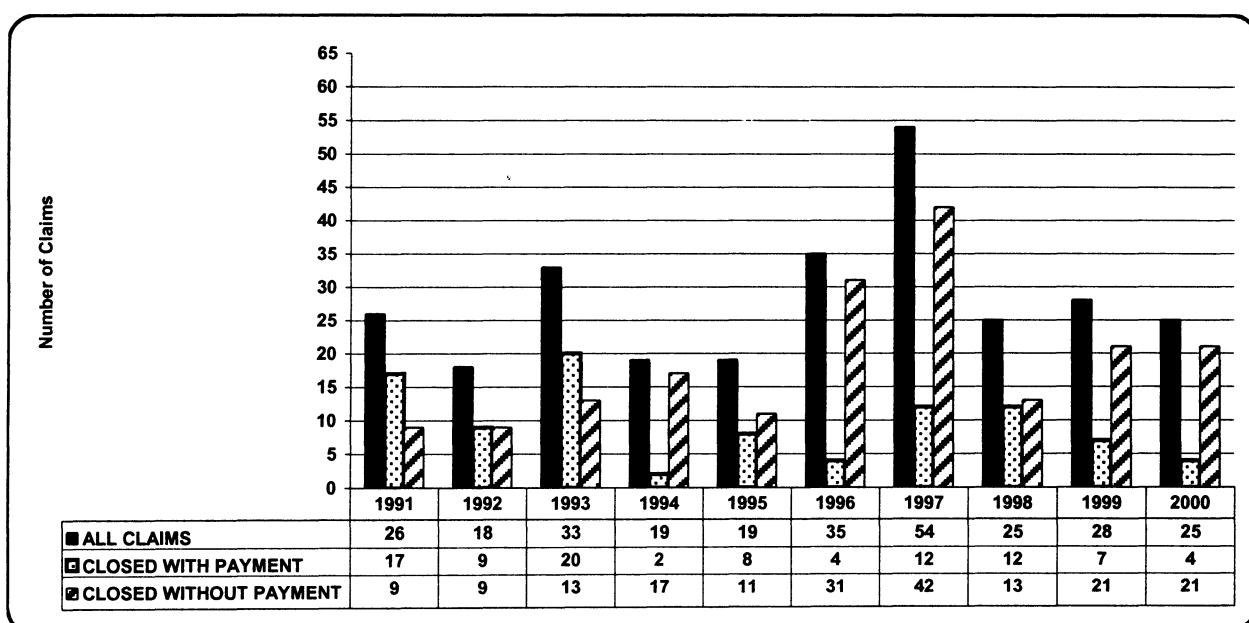
**INSURED/CLAIMANT RELATIONSHIP
TRENDS
OF
2000**

NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT

Average Paid Indemnity & Average Loss Expense

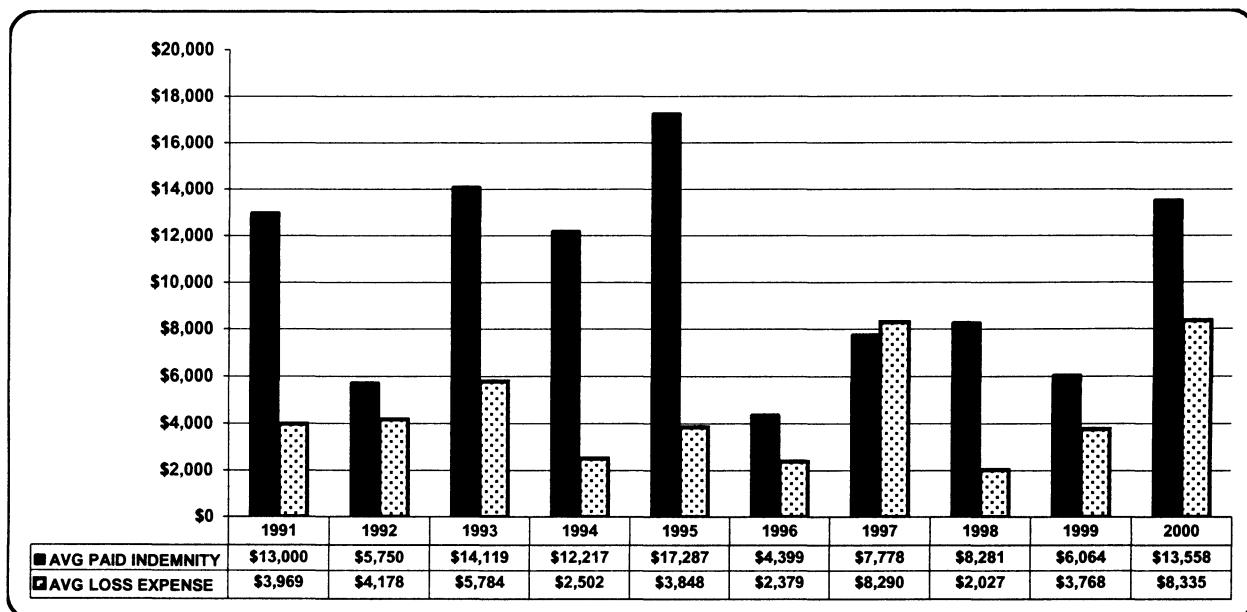


Claim Count

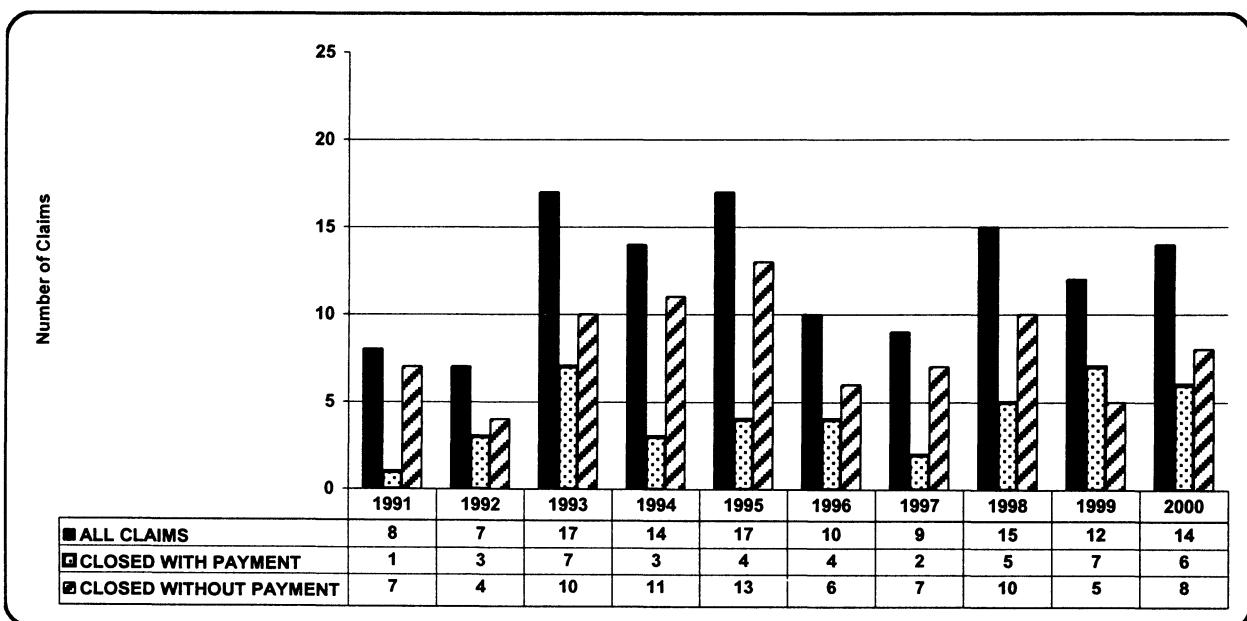


CONTRACTUAL RELATIONSHIP WITH CLAIMANT

Average Paid Indemnity & Average Loss Expense



Claim Count



**PREMIUM
AND
LOSS DATA**

PAGE 15 SUPPLEMENT REAL ESTATE MALPRACTICE EXPERIENCE
WITH MARKET SHARE

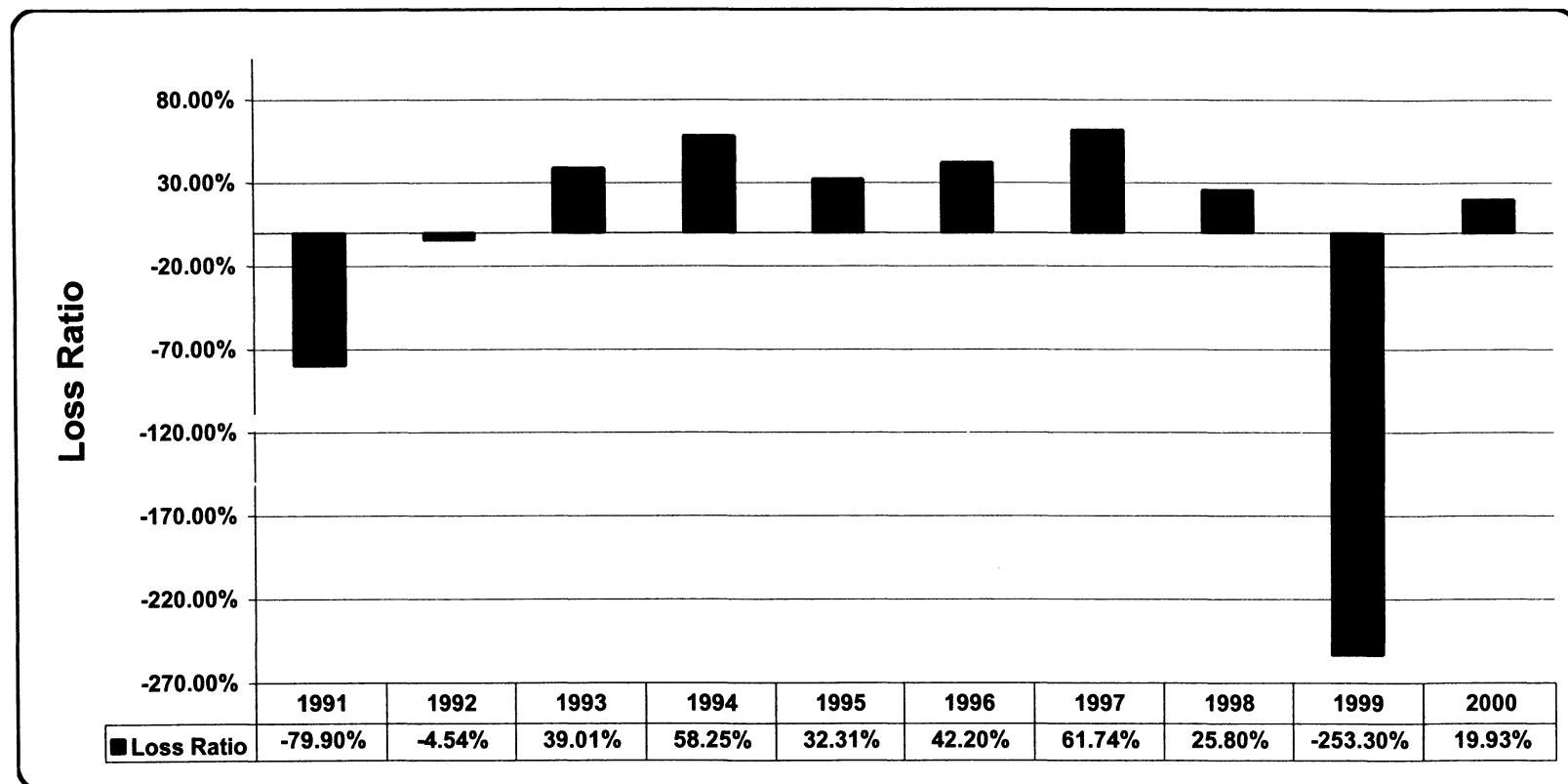
2000 EXPERIENCE

NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
20443	CONTINENTAL CASUALTY COMPANY	61.81%	\$278,383	-\$356,471	\$191,358	-53.68%
24767	ST PAUL FIRE & MARINE INSURANCE CO	17.47%	\$78,704	\$51,417	\$30,028	58.40%
25895	UNITED STATES LIABILITY INSURANCE CO	8.87%	\$39,952	\$28,978	\$14,489	50.00%
21881	NATIONAL SURETY CORPORATION	4.89%	\$22,004	\$15,711	\$0	0.00%
21296	ASSOCIATES INSURANCE COMPANY	4.01%	\$18,046	\$12,278	\$3,501	28.51%
39845	EMPLOYERS REINSURANCE CORPORATION	2.62%	\$11,818	\$12,730	\$31,591	248.16%
37273	FIREMANS FUND INS CO OF WISCONSIN	0.19%	\$835	\$1,371	\$0	0.00%
21865	ASSOCIATED INDEMNITY CORPORATION	0.06%	\$269	\$258	\$0	0.00%
21873	FIREMANS FUND INSURANCE COMPANY	0.03%	\$140	\$208,003	\$0	0.00%
21857	AMERICAN INSURANCE COMPANY THE	0.03%	\$139	\$7,104	\$0	0.00%
21849	AMERICAN AUTOMOBILE INSURANCE CO	0.03%	\$129	\$92,584	\$20,611	22.26%
20427	AMERICAN CASUALTY CO OF READING PA	0.00%	\$0	\$6,421	-\$296,615	-4619.45%
20494	TRANSPORTATION INSURANCE COMPANY	0.00%	\$0	\$315	\$13,570	4307.94%
25674	TRAVELERS INDEMNITY CO OF ILLINOIS	0.00%	\$0	\$0	\$5,500	N/A
35270	FIDELITY AND CASUALTY CO OF NY	0.00%	\$0	\$0	\$160	N/A
35289	CONTINENTAL INSURANCE COMPANY THE	0.00%	\$0	\$0	\$1,889	N/A
TOTAL		100.00%	\$450,419	\$80,699	\$16,082	19.93%

PAGE 15 SUPPLEMENT REAL ESTATE MALPRACTICE EXPERIENCE
TEN YEAR SUMMARY

Year	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
1991	\$479,109	\$463,941	-\$370,701	-79.90%
1992	\$215,703	\$193,117	-\$8,765	-4.54%
1993	\$332,664	\$316,333	\$123,417	39.01%
1994	\$721,963	\$591,594	\$344,609	58.25%
1995	\$816,737	\$769,978	\$248,795	32.31%
1996	\$657,869	\$686,562	\$289,707	42.20%
1997	\$619,604	\$651,641	\$402,297	61.74%
1998	\$1,559,815	\$1,688,776	\$435,667	25.80%
1999	\$412,988	\$117,643	-\$297,986	-253.30%
2000	\$450,419	\$80,699	\$16,082	19.93%
10-Year Total	\$6,266,871	\$5,560,284	\$1,183,122	21.28%

PAGE 15 SUPPLEMENT
REAL ESTATE MALPRACTICE EXPERIENCE
TEN YEAR LOSS RATIO SUMMARY



DEFINITION OF TERMS

Market Share: The dollar amount of direct premium written by an insurer divided by the total amount of direct premiums written industry-wide for the particular line of business being analyzed, expressed as a percentage.

Written Premium: Amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Earned Premium: The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

Incurred Losses: The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

Indemnity Paid: The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

Loss Adjustment Expenses: The cost involved in an insurance companies adjustment of losses under a policy.

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